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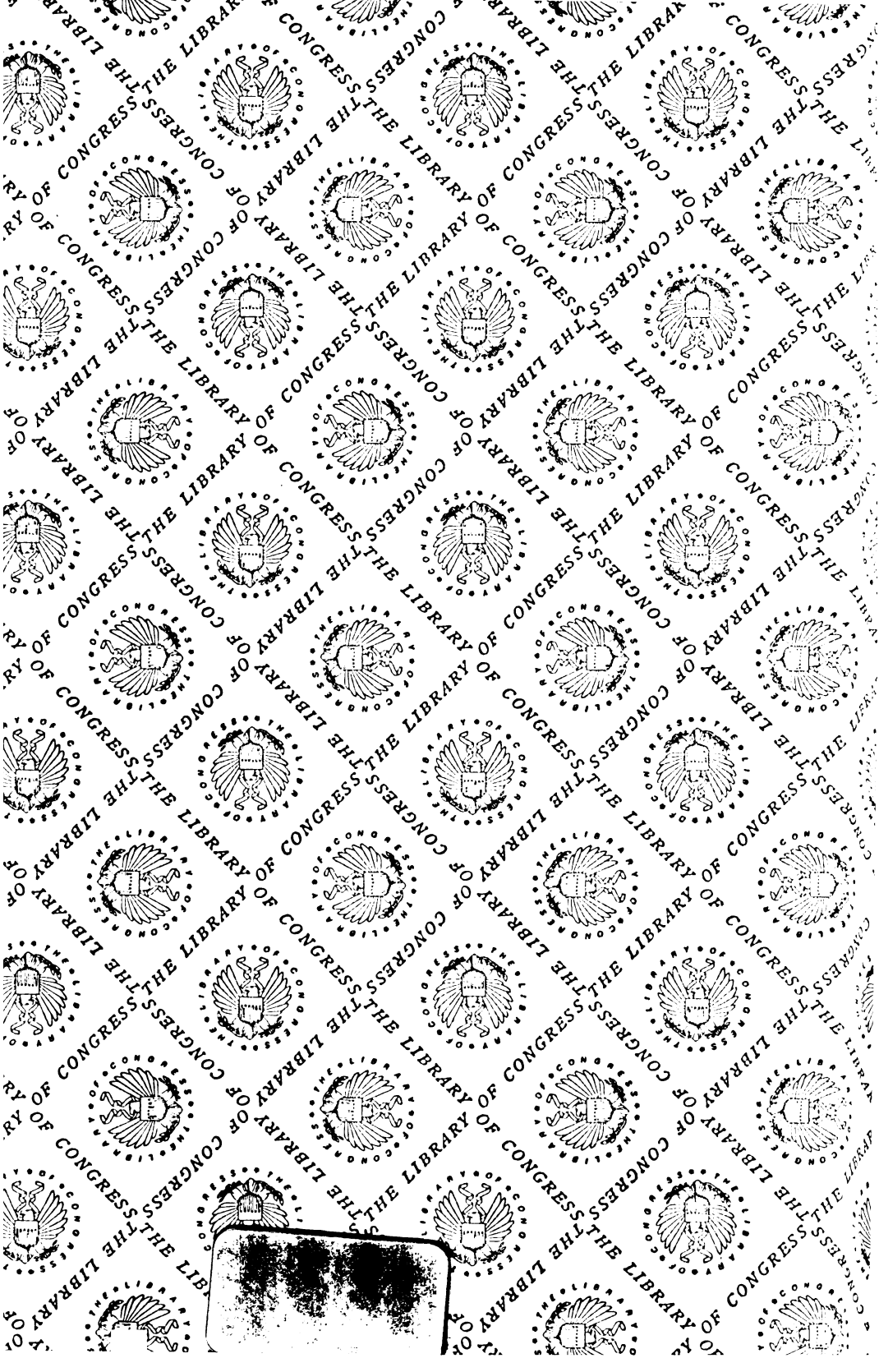
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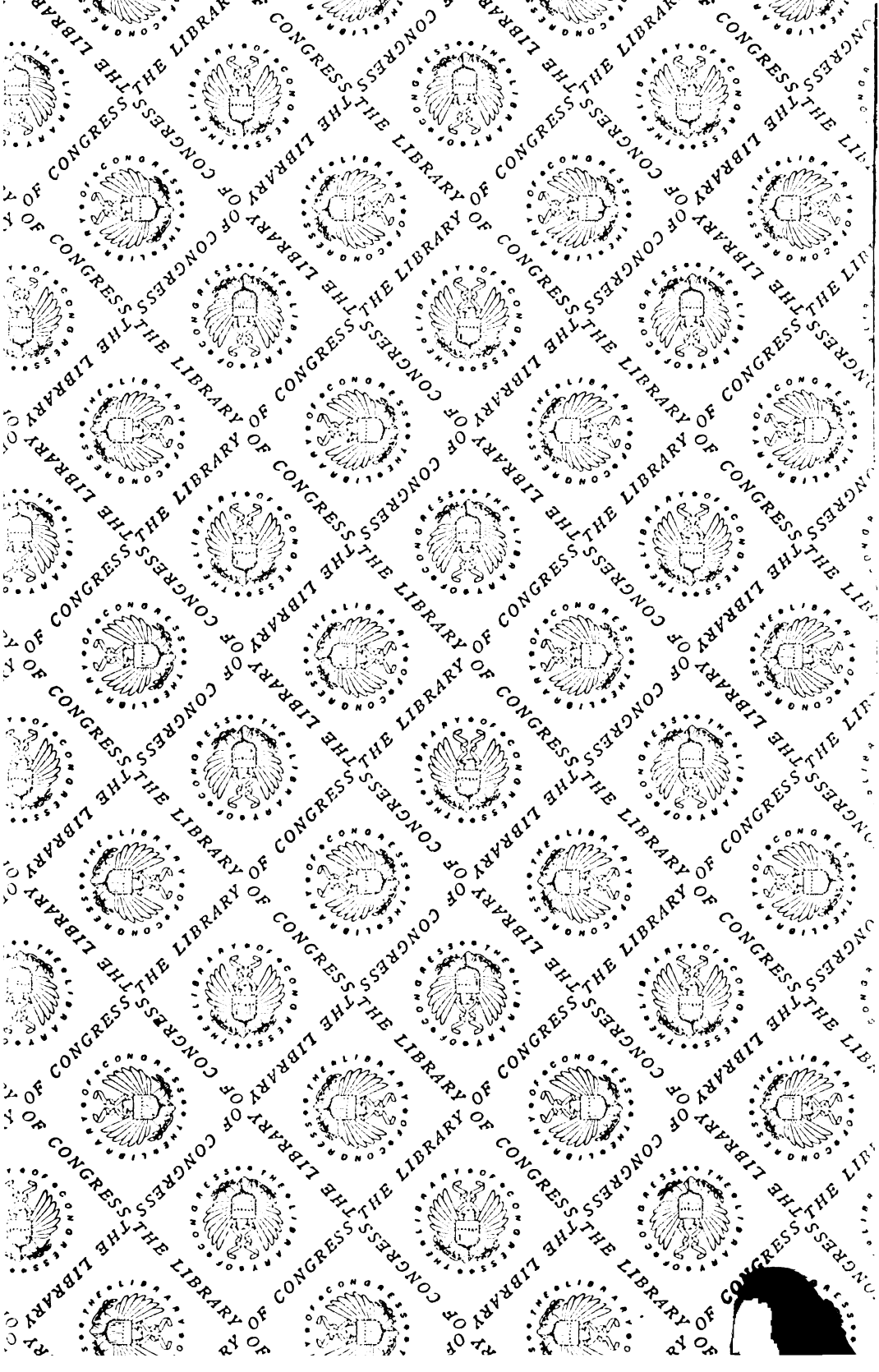
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**COTTON: ITS PREPARATION, TRANSPORTATION
AND MARKETING**

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HEARINGS

BEFORE A

**SUBCOMMITTEE OF THE
COMMITTEE ON INTERSTATE AND
FOREIGN COMMERCE**

J. D. Long **HOUSE OF REPRESENTATIVES**
SIXTY-THIRD CONGRESS
FIRST SESSION

AUGUST 15, 1913

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COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE.

HOUSE OF REPRESENTATIVES, SIXTY-THIRD CONGRESS.

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COTTON: ITS PREPARATION, TRANSPORTATION, AND MARKETING.

SUBCOMMITTEE OF THE COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Washington, D. C., Friday, August 15, 1913.

The subcommittee met at 11 o'clock a. m., Hon. William C. Adamson (chairman) presiding.

STATEMENT OF MR. HARVEY JORDAN.

The CHAIRMAN. I take pleasure in introducing Mr. Jordan, of Atlanta, Ga. The members of the full committee who are present are invited to remain and hear what Mr. Jordan has to say to the subcommittee on the subject of cotton. I will say to you, Mr. Jordan, that for many years the subject of cotton, as you know, has been discussed in all its stages before the country. We had a subcommittee appointed to hear anybody who knows anything about it. We should like to have you tell us whether Congress ought to legislate so as to improve conditions from the gin to the spinner. We would like to know how we can improve the ginning, packing, baling, sampling, transportation, and the marketing so as to enable the people who produce the cotton to get a little more for it, without robbing those who handle it and manufacture it and consume it afterwards. The chairman knows you are an expert on all the stages, from the time the cotton leaves the farm until the time it goes into the fabric, and the committee would like to hear what you have to say on any phase of cotton through all these stages.

Mr. JORDAN. Mr. Chairman and gentlemen, I wish to say at the outset—

Mr. SIMS (interposing). Are you going to address your remarks to any bill already introduced?

The CHAIRMAN. There have been at different times dozens of bills introduced in Congress, and this committee may take any bill and amend it to suit the occasion. There is no particular bill. There are some bills here, but Mr. Jordan may disregard the bills and tell us about the subject.

Mr. JORDAN. I will say at the outset that I am a cotton grower in Georgia and for 15 years have given the subjects of the baling and handling and marketing of our cotton considerable study and attention. It is a well-established fact all over the civilized world, wherever American cotton is consumed, that our great staple crop is delivered to the spinners in a disgracefully bad condition.

I do not think that is a matter of argument, because it is so generally well known and well established that it is not necessary to discuss that phase of the subject. What farmers of the South have wanted for many years is the adoption of some system which would reform the baling and handling of American cotton and introduce into it those economies which are applied to practically every other system of modern progressive enterprise. One of the most serious matters in connection with the proposition at this time is the fact that unless something is done to improve the baling and marketing of our cotton the foreign spinners have made up their minds absolutely to seek other fields to secure needed supplies.

I was present at the last cotton congress of the International Federation of Master Cotton Spinners' and Manufacturers' Associations, at which meeting representatives from every civilized country in the world where cotton is consumed were present. This meeting took place at The Hague, in Holland, on June 10 of the present year. That conference this year was called for the purpose of discussing the better baling and handling of American cotton; the question of country damage and artificial damping and tare of American cotton. They passed resolutions of thanks to the British Government for just having made an appropriation of \$15,000,000 as a subsidy to be used in the encouragement of the growing of cotton in the Sudan. They appointed a committee, which has since then called on the representatives of the British Government, to urge the granting of additional large subsidies for the purpose of beginning a system in India and in Egypt of farm demonstration work patterned after the work of the Agricultural Department of the United States, so that the increase in the present crops of those two countries could be made upon such an extended scale that in time to come they would be relieved from any further purchase of American cotton.

It is known that in India there are over 20,000,000 acres planted in cotton, but that under their slack system of cultivation they produce only about a bale to 4 or 5 acres, which cuts the crop down to four or five million bales.

In Egypt they are producing one and three-fourths to two million bales, and they have begun to increase the production of cotton in South Africa.

Within the last five years Russia has produced practically enough cotton within her provinces to be independent of the American cotton crop. Russia now grows over a million bales annually.

In view of these facts it becomes a matter of very serious interest not only to the cotton growers of the South and to every vested interest in the South, but to the entire American Union, because it is a well-known fact that it is due to the tremendous exports of the cotton crop, which is 65 per cent of the total yield, that we receive from foreign purchasers something like \$600,000,000 a year, and it is through those exports that we maintain the balance of trade in favor of the United States and prevent our country from becoming a debtor nation to the other nations of the world. At the present time there is only about a difference of \$190,000,000 in our favor.

I am not in a position, Mr. Chairman, to suggest to this committee as to whether or not the Federal Congress is in a position to pass

Federal legislation which will bring about the reforms which are necessary.

The CHAIRMAN. Right there, Mr. Jordan, I will ask you several questions I have in mind I wish you to answer. One is, What ought to be done, specifically, to make reforms necessary in the baling and preparation of that cotton to present it on the market in the best shape to secure the best results? Second, Will that be done by the farmers and handlers of the cotton entirely, or can it be done by the cooperation of the State legislatures, or shall Congress pass a uniform law touching the handling of that cotton in interstate and foreign commerce? Those are the two propositions to which I want you to address yourself for part of your time.

Mr. JORDAN. Mr. Chairman, in reply to your first question, there can be but one answer, which has the universal indorsement of the cotton spinners of the world and of all economists who have studied this question, and that is that the economic preparation of a bale of cotton to meet the demands of the spinners of the world and to put it into the markets in first-class, merchantable condition must be prepared for the consumer at the initial point of preparation; that is to say, that the bale of cotton must be prepared for the spinner before it leaves the roof of the gin house. When you rehandle a bale of cotton under our system you practically destroy it for commercial uses from our modern standpoint of handling commercial commodities. We are now growing normal crops of from fourteen to fifteen million bales per annum. There is a limited number of re-pressing plants in the South, and the major part of the crop must be handled within five or six months from the opening of the harvest season. This requires these bales to be stripped of their bands and placed between the ponderous jaws of these big compress machines and repressed in order to get marine density necessary for lower freight rates in ocean carriage and railway carriage; they must necessarily handle from 60 to 100 bales per hour; that is from a bale to a bale and a half per minute, and it is a physical impossibility to handle a 500-pound bale of cotton within the short space of 60 seconds and prepare it in a decent condition to go into the markets of the world.

Mr. STEPHENS of Nebraska. Why must it be done 60 bales an hour?

Mr. JORDAN. Because the congestion would become so great, the movement of the crop would be so slow that you would bring about a condition of affairs that would be absolutely unbearable.

Mr. STEPHENS of Nebraska. That is because of a lack of re-pressing machines?

Mr. JORDAN. Yes, sir.

Mr. RAYBURN. Is it possible to have compresses at the gin?

Mr. JORDAN. It is possible now. For 30 years inventors have been working along this line. The South is now the only country in the world where cotton is rehandled. The spinners have been begging for the Egyptian type of bale, which is compressed at the ginnery, as also is the Indian bale, and from every other foreign country.

Mr. MONTAGUE. Is it compressed to the density of the American bale?

Mr. JORDAN. No, sir; it is compressed to the density of perhaps twice that of the American bale. The Egyptian bale carries a density of 38 to 45 pounds to the cubic foot; the Indian bale a density of 48

to 54 pounds to the cubic foot, which is nearly the density of a white-oak log.

The CHAIRMAN. The leading property of the round bale is that it is compressed and sampled at the gin, is it not?

Mr. JORDAN. The round bale carries a density of about 35 pounds to the cubic foot, as against a density of 22½ pounds when the bale leaves the large compress.

The CHAIRMAN. It is prepared at the gin finally?

Mr. JORDAN. Absolutely, it is ready for consumption.

The CHAIRMAN. Have you any facts which you can place in the record now, or in revising your testimony, to show us the cost of compressing the square bales at the gin? They are represented to us as being very expensive. Can you give us any light as to the probable economical cost of installing those compresses for the square bales at the gin?

Mr. JORDAN. I am familiar with but one round-bale compress in the South. That is the machinery of the American Round Bale Co.

Mr. STEPHENS of Nebraska. Is not a round bale practical in commerce?

Mr. JORDAN. The round bale is desirable for purposes of shipment, but it is not desirable from the standpoint of the spinner for consumption, as it will not be accepted by the great exchanges of the world as a tender on contracts; consequently it is an uncommercial package.

The CHAIRMAN. I am speaking of the square bale. Have you any information to give the committee as to the cost of installing gin compresses at the gin for square baling?

Mr. JORDAN. Yes, sir; I can give you information on that line, because I am connected with a company that has been trying to solve this problem for several years, and there are quite a number of square-bale gin compresses being developed now in the South.

The CHAIRMAN. Can you give us an approximate estimate of the cost of all of those?

Mr. JORDAN. They average in cost from about \$750 to \$4,500.

Mr. SIMS. Do you mean to recompress?

The CHAIRMAN. No; to compress it in that form to begin with.

Mr. JORDAN. It compresses it at the original point.

Mr. SIMS. It is not recompressed, then?

Mr. JORDAN. No, sir.

The CHAIRMAN. Can you get a practical compress for \$750?

Mr. JORDAN. I have been told that the Neely compress, which is a Virginia invention, can be built for \$750. Whether it can or not I do not know.

Mr. STEPHENS of Nebraska. How does that compress compare in cost with the old-time gin press they have been using?

Mr. JORDAN. The modern overhead steam tramper will cost about \$600 or \$700, at the present time, I think.

Mr. STEPHENS of Nebraska. Then there would be no additional burden of expense, comparatively speaking?

Mr. JORDAN. I do not think it is a question of initial expense, because in the investigation of the Department of Commerce in this matter it is stated positively that the annual losses to the cotton growers, brought about by the present system of baling and handling, amounts to a minimum of \$50,000,000 a year, so that this is not a

question of initial expense. I do not think you could look at it from that angle.

The CHAIRMAN. As a general statement I think that is true, but when you go into a community accustomed to the old methods and suggest to them the change it is hard to persuade them of the general advantages and of all these general figures you offer, and you have to address it practically to each community to show them that they can afford to adopt it right now.

Mr. JORDAN. I can give you some information along that line. The system of ginning in the South is not as it was when you were a boy and drove that ox you tell of.

The CHAIRMAN. It was not an ox, it was a bull.

Mr. JORDAN. The disposition now is to concentrate the ginning of cotton in large, well-equipped gin stands. If you take the reports from the United States Census Bureau of six or seven years ago, you will find that at that time there were 32,000 ginneries in the South. At the present time there are hardly 26,000 ginneries. This shows that during that period of time several thousand of these small gin plants have simply gone out of use, because they do not receive the patronage of the farmers as they did in years gone by. The farmer now sells his seed and sells his lint, consequently when he puts 1,500 pounds of seed cotton on his wagon he wants to take it to his nearest market and get the best facilities he can for ginning his cotton and get rid of the whole proposition at once and get back home. They haul it 12 to 15 miles in order to get to their markets. So that the small ginnery is going out of business, and I have discussed this matter with the cottonseed oil mill people, who are becoming the ginners of the cotton crop of the South, and they have told me that it is not a question of initial expense in putting in gin compresses, but the only thing they want to be absolutely assured of is a new system that can make it economically advantageous to their patrons, the farmers. That is the position which is taken by all of the large ginners that I have ever discussed this matter with.

Mr. SIMS. Is the baling done in Egypt and India satisfactory to commerce, the trade, the spinners, and so on?

Mr. JORDAN. Absolutely so.

Mr. SIMS. What sort of gin do they use?

Mr. JORDAN. They use a gin compress, Shaw's press, that is manufactured in Manchester, England.

Mr. SIMS. In other words, they handle it only once?

Mr. JORDAN. Yes, sir.

Mr. SIMS. And the ginning and baling and compressing is all accomplished and completed without rehandling?

Mr. JORDAN. Yes, sir; it has the necessary transportation density, and that is what you press cotton for, to give it density.

Mr. SIMS. If they do that in Africa, what is to hinder us from doing it?

Mr. JORDAN. It is because we have in this country a peculiar condition of affairs. The farmers who grow the cotton have practically nothing to do with its preparation for market, because the cotton is ginned at public ginneries; the farmer pays so much to have it baled and wrapped, and the spinners of the world, of course, have nothing to do with its preparation and handling, because they simply buy it and have it delivered to their mills. Now, the middleman—that is, the

cotton buyer, the cotton merchant, the exporter—has been building up a system which appears to be satisfactory to them. They have gone to the expense of installing these large compress plants. In the States of Alabama and Georgia a combination of railroads own all the big compress plants, in which they have invested something like \$600,000 or \$700,000, and under the old system it not only enables these large compress plants to derive a revenue from the rehandling of the bale and the repatching of the bagging on the bale, but it gives the cotton buyer an opportunity to sample and resample the old bale and to add additional bagging from that put on by the farmer at the ginnery, and out of those multitudinous methods of high fixed charges against the old bale it enables them to derive a revenue which they could not possibly get under the adoption of an absolutely economic system.

Mr. SIMS. Under the plan you speak of, would it be practical for the cotton to be sampled as it is now?

Mr. JORDAN. Yes, sir.

Mr. SIMS. It would not interfere with sampling?

Mr. JORDAN. No, sir; it would interfere with the present method of sampling, which is very objectionable and which ought not be permitted; but it enables the sampling of cotton before the bale is finally wrapped and tied up.

Mr. SIMS. It may be sampled at such time as to cause the least waste for the owner of the bale?

Mr. JORDAN. Yes, sir.

Mr. MONTAGUE. I do not know that I have a right to ask questions, but I find myself very much interested in this subject.

The CHAIRMAN. You have the privilege.

Mr. MONTAGUE. What is the difference in the cost of the plant in Egypt and Africa, the compress plant, as compared with the plant here in America?

Mr. JORDAN. They are about the same. I think the price of the Shaw press is about \$4,000 to \$4,500.

Mr. MONTAGUE. Are those compresses in those countries worked by public agency, as they are here?

Mr. JORDAN. Yes, sir; by cotton firms largely.

The CHAIRMAN. Has any progress at all been made in installing these gin compresses in our country?

Mr. JORDAN. Yes, sir.

The CHAIRMAN. To what extent?

Mr. JORDAN. Our company has about 10 of these presses in constant and practical operation. One of the large cotton plantations in the South, or the largest cotton plantation in the South, is installing one now. It is a cotton plantation in Mississippi which is owned by the Fine Yarn Cotton Spinners, of Manchester, England. I think they have something like 30,000 acres in that plantation, and they propose to compress all of their cotton at the initial point.

The CHAIRMAN. Would those bales meet with any trouble or objection in commerce or transportation?

Mr. JORDAN. Absolutely none.

The CHAIRMAN. They are as good as the Egyptian bales, are they?

Mr. JORDAN. They are better.

Mr. MONTAGUE. It is done by the same machinery, is it not?

Mr. JORDAN. No, sir. The same method, but not the same machinery.

The CHAIRMAN. Are there any other makes?

Mr. JORDAN. Yes, sir; the Modern Gin Compress Co., of Little Rock, Ark., has a gin compress.

The CHAIRMAN. I mean, have any of them been installed anywhere?

Mr. JORDAN. Yes, sir; there are several in western Arkansas; the Munger Gin Compress Co. has seven or eight installed, I think. Two of them are on the State farm, near Jackson, Miss.

The CHAIRMAN. Are there any installed in Georgia, South Carolina, or North Carolina?

Mr. JORDAN. None in Georgia. We have a press at Montgomery, Ala. I think possibly the Munger system has one or two presses in Alabama, but we are denied the compress rate allowed by the railroads, because the cotton is not handled by their large compressors.

The CHAIRMAN. Then, one obstacle to progress in that line is the attitude of the railroads?

Mr. JORDAN. Absolutely. We have the matter up now before the Interstate Commerce Commission. The officials of the railroads have been very candid with me; I know them all; and they have told me that until the Interstate Commerce Commission passed an order absolutely forcing them to recognize the gin compress bale for transportation purposes that they would force us to pay the high flat-bale charges against it, because they had to protect their vested interests in the large compresses which they own.

The CHAIRMAN. Has anybody reminded the Commerce Commission of the analogy between that situation and the trouble about the commodity clause, that the railroad might not have any more right to do its own compressing, hauling its own products than to haul its own commodities along its line?

Mr. RAYBURN. Does not some of that opposition on the part of the railroads come about in this way: That it will prevent the assembling of the freight at one point and then reshipping it?

Mr. JORDAN. No, sir; you can assemble it just as quickly when compressed at the ginnery as without it.

Mr. RAYBURN. I mean, would it not make more money to send it into the compress, then reshipping it, than to compress it at the ginnery?

Mr. JORDAN. No, sir. On the contrary, it is a very expensive proposition for the railroads to handle our crop under the existing conditions, and I can explain that to you in a very few words.

Mr. SIMS. Before you go to that. I understood you to say something about the oil companies. Do they buy the seed cotton and the lint and then sell the lint?

Mr. JORDAN. No, sir; they simply operate ginneries for the purpose of attracting seed cotton.

Mr. SIMS. They charge the farmer for ginning his cotton and buy his seed?

Mr. JORDAN. Yes, sir.

The CHAIRMAN. Do they not fix an aggregate price at the ginnery and include the bagging put on the bales of cotton, and use a poor quality of material?

Mr. JORDAN. Undoubtedly. If you pay a ginner \$2.50 a bale to gin your bale of cotton and put the bagging and ties on it, as a matter of American business methods he will buy the cheapest, flimsiest bagging he can buy and make his profit as large as possible.

Mr. MONTAGUE. Is it not a well-known fact in the commerce of the world that the American people are the shabbiest packers of their goods of any nation in the world?

Mr. JORDAN. I can only answer that by referring you to our consular reports.

Mr. MONTAGUE. I would not use the word "shabby." I would rather use the words "the most inefficient, or the poorest, packers."

Mr. JORDAN. I think that is true, because our people have not yet awakened to what foreign commerce means. They have had such a tremendous trade for their production in their own country that they simply look upon foreign commerce as a medium of getting rid of whatever little surplus they have to offer.

The CHAIRMAN. Are you going to remain longer than to-day?

Mr. JORDAN. No, sir; I am going back to-day.

The CHAIRMAN. There are three other points I want you to talk about. You can touch on them now, then enlarge upon them when you revise your testimony. One is the method of sampling. I want to know if you can not effect a great economy by providing that the cotton be sampled at the gin, as well as well packed, and the sample certified and the tare and the weight of the cotton marked on it, so that the sample may be used as in the case of other commodities, and thereby save to the producers \$6,000,000 or \$7,000,000 a year?

Then I want to know something about the country damage, which I always believed to be greatly exaggerated and possible to avoid.

I also want you to tell the committee of the system of placing it in warehouses and the taking of a receipt for it, and describe how that receipt may be used for debt, and show whether or not it is not the most liquid and valuable of collateral to raise money on, because it can be sold always and at any time by the holder, and because the commodity itself is indestructible.

Mr. MONTAGUE. If agreeable, will you let him answer the last question first?

The CHAIRMAN. That will be satisfactory, but I want him to touch on those three points.

Mr. RAYBURN. In other words, I should like to know what your idea is, you being an experienced man along this line, if these gin compresses were installed and the proper system of sampling cotton was brought about, how much do you think they would save in the marketing of a bale of cotton?

Mr. JORDAN. Answering your question quickly—and I will say right there that you can only answer a question of that kind by comparison—

Mr. RAYBURN. Yes; I understand.

Mr. JORDAN. The comparison is between handling a bale of cotton under the old system and the handling of a bale of cotton under the economic system. We have handled thousands of bales of gin-compressed cotton and have the account sales rendered as against the account sales of the other system, and there is a margin of at least \$5 per bale difference in the economies. In other words, taking Atlanta or Montgomery, or any interior point in the South, as an

illustration, it will cost \$10 per bale or 200 points to deliver an American bale of cotton from there to Liverpool; consequently you will find the Liverpool market always 1 pence, or 2 cents, a pound higher than the American market, and the difference between those prices is the cost of delivering the bale of cotton from the interior of America to Liverpool. Now, there is no question of doubt, because it has been settled time and again, that you can deliver a bale of gin-compressed cotton from the interior of the South to Liverpool for \$4.50 a bale, which is less than 1 cent a pound.

Mr. RAYBURN. Do you mean that is the transportation cost?

Mr. JORDAN. No, sir; every cost which enters into its handling. It covers insurance and—

Mr. RAYBURN. Take the average shoddy bale of cotton, how much does it cost to get it from the farm to Liverpool?

Mr. JORDAN. Do you mean the present bale?

Mr. RAYBURN. Yes, sir.

Mr. JORDAN. Not less than \$10.

Mr. RAYBURN. Somebody here, I thought, said it was worth about \$19.50.

The CHAIRMAN. I think he counted the ginning.

Mr. JORDAN. Of course I do not think the question of ginning should enter into this cost.

Mr. SIMS. The difference which enters is the compress economics?

Mr. JORDAN. Yes, sir; not only the question of modern economies, but it gives you a package which is acceptable to consumers of American cotton, and that is a very important matter, because when you are raising a crop which is undoubtedly the most valuable in the world, the consumers ought to be satisfied with the package. That is true of all products, no matter what they are.

The CHAIRMAN. You have four other questions now to touch on in 20 minutes, if you are not going to stay longer than to-day.

Mr. JORDAN. I should like to touch on the question of the railroads for about two minutes. Under the present system an ordinary railroad box car can only handle 25 bales of plantation ginned cotton. That is 12,500 pounds. That is because the cotton is only compressed to a density of 12 pounds to the cubic foot, so that it takes four box cars to transport what you would call a full load, that is, based on tonnage, 50,000 pounds. That, of course, is equivalent to four loadings. Those cars are carried 50 to 100 miles away and placed on the siding of a large compress plant, where the cotton is all unloaded, trucked on the platform, and, after waiting its turn, compressed a few days or a few months thereafter, as the case may be, depending upon congestion, and the cotton is subjected to a greater pressure and then has a density, or should have a density, of 22½ pounds to the cubic foot, which will then enable the loading of 50 bales to the car; then, with two cars, it is carried on to the port. Now, if that cotton were gin compressed at the initial point you would load 100 bales in the one box car, bill it through to the port, and you are done with the whole transaction.

Mr. MONTAGUE. You would save three cars then?

Mr. JORDAN. You save more than that. It involves the handling of 6 cars in the other transaction as against 1, and 10 loadings and unloadings as against 1 loading at the initial point and the unloading at the port.

Mr. MONTAGUE. And the railroad charges you now for the one car just as much as it charges you for the six?

Mr. JORDAN. The railroad bases its charge upon the amount of expense which is necessarily involved in the handling of the transaction. If you will take the rates from Atlanta to Savannah on a carload of flour, a carload of meat, of wheat, or oats, it is 10 cents per 100 pounds, because the railroad receives the tonnage at the initial point, and it takes it on to destination. The rate on cotton is 40 cents per 100 pounds for the same distance. You see, there is a difference of 400 per cent, practically, in the handling of the one commodity under an old antiquated system, where the question of tonnage is not given to the railroads, and where the railroads are given tonnage at the initial point they reduced the cost of handling to its minimum, and under the other instance it is carried up to its maximum.

Mr. TALCOTT. Even if there is an expense in compressing the cotton, that would be saved in the freight, would it not—at least a large portion of it?

Mr. JORDAN. You would save it very largely in the freight, because the steamship people, who have recently passed the most drastic resolutions, openly have agreed that if they can receive gin-compress cotton at the ports that they will reinstitute the cubic-foot-space freight rates, which is 25 to 30 per cent for ocean-carriage less than the present rate on recompressed cotton as it is now received at the port, to which they can not give the cubic-foot-space rate. They must charge it just like the railroads charge. The steamers are assumed to charge cubic-foot space, but they will not permit you to pay cubic-foot space in the handling of American cotton, because it takes up so much unnecessary space.

The CHAIRMAN. Gov. Montague wants you to tell us first about preparing cotton in bonded warehouses so the receipt will make a good basis of credit; then I want you to touch on the other points suggested to you.

Mr. JORDAN. I think I can make this statement, Mr. Chairman, and which can not be contradicted, and that is that a bale of cotton which is properly prepared for market, stored in a bonded warehouse, insured, presents the highest type of gilt-edged collateral of any other commodity in the world. It should be even more attractive to capital than a Government bond—I mean to investors—for this reason: Cotton does not deteriorate when properly stored. There is a market for it every hour in the day and at every mart in the world, which can not be said of a great many other commodities and securities. So we can safely assume that if we had in the South to-day a modern system of bonded warehouses in which the crop could be properly stored and insured, then capital would be glad of the opportunity to take these bonded warehouse receipts as collateral for all the loans that would be necessary.

The CHAIRMAN. A good deal has been said about the liquidity (if that is the proper word) of that security, which would mean the immediate convertibility. I wish you would state what the custom is in furnishing those collaterals represented by the warehouse receipts, whether the holder can not sell them at his option at any time he needs the money after due; that is, sell the cotton?

Mr. JORDAN. Why, he can sell the cotton in two minutes.

Mr. MONTAGUE. Who is referred to?

Mr. JORDAN. I said the holder of the receipts—the holder of the warehouse receipts. I do not know who that might be.

Mr. MONTAGUE. I want to know; is he the farmer or the man at the warehouse?

Mr. JORDAN. He is the farmer. The farmer would store his cotton at the warehouse and he would there be issued a warehouse receipt, which receipt would be protected by a bond of some company guaranteeing the validity of that receipt and the delivery of the bale of cotton against which it was issued whenever that receipt was presented to the warehouse.

Mr. MONTAGUE. That receipt, of course, certifies that so many bales of cotton have been received?

Mr. JORDAN. It may, perhaps, certify that only one bale of cotton has been received, but under the correct system it will certify that a bale of cotton has been received on this day; that it weighs so much; that it is of a certain grade; and that it has been insured either in some standard company or standard companies; and that it is protected by the guaranty of some bonded company of sufficient capital and strength and reputation to make it absolutely safe. Then you have a——

Mr. MONTAGUE. As a rule, who puts that cotton in the warehouse, the farmers or the buyers?

Mr. JORDAN. It is usually put in by the farmers.

Mr. MONTAGUE. Does he get any money on it at the time?

Mr. JORDAN. Yes, sir; whenever the banks have any money they are always glad to lend it on cotton-warehouse receipts, even though we have no bonded system.

Mr. MONTAGUE. Does the warehouse itself provide him any money on it?

Mr. JORDAN. They might, perhaps, in places like New Orleans and Memphis.

The CHAIRMAN. Here is a point I want to bring out. Anybody, whether he buys it or raises the cotton, could put it in the warehouse and take a receipt?

Mr. JORDAN. Yes, sir.

The CHAIRMAN. Then, anybody who happens to hold the receipt may deposit it as collateral security, and the creditor, at any time after it is due, can sell that cotton?

Mr. JORDAN. Unquestionably that is true.

Mr. MONTAGUE. The warehouse receipt, then, is certificate of title to the cotton, and it passes by delivery?

The CHAIRMAN. Yes, sir.

Mr. TALCOTT. Is the cotton ginned right after it is gathered, or do the farmers wait until there is a sale?

Mr. JORDAN. The cotton, as a rule, is ginned as fast as it is harvested and sold as fast as it is ginned. They do not have to wait for buyers. Buyers are now in the market waiting for the cotton.

Mr. TALCOTT. So when the farmer puts his cotton in the warehouse he turns the warehouse receipt over to the buyer?

Mr. JORDAN. Whenever he gets ready to sell it; whenever he sells that cotton he delivers that warehouse receipt to the buyer, and the buyer marks it up with his specific marks and delivers it to the railroads, gets the bill of lading for it, then he attaches his sight draft to the bill of lading and goes and puts it in the bank.

Mr. MONTAGUE. You called that a public warehouse. Is it owned by the public in any way? Does the community own it, or what?

Mr. JORDAN. As a general rule they are corporations, sometimes owned by a large number of farmers, sometimes by a number of citizens in a town, sometimes maybe owned by one person, but we have not at this time any general system of bonded warehouses in the South.

Mr. MONTAGUE. What do they charge for the storage and preservation of the cotton?

Mr. JORDAN. In my town they charge 25 cents per bale per month for storage.

Mr. MONTAGUE. Does that cover insurance, too?

Mr. JORDAN. No, sir; it is 15 cents per bale for insurance additional, which makes it 40 cents per month for handling it.

Mr. MONTAGUE. For storage and insurance?

Mr. JORDAN. For storage and insurance, then 10 cents for weighing.

Mr. SIMS. On your warehouse proposition, when a warehouse receipt is used for the cotton received, does the receipt show the grade of cotton or does it have to be sampled afterwards?

Mr. JORDAN. No, sir; it does not. We have not reached that stage.

Mr. SIMS. Your theory is to enable that sample to go right on the receipt?

Mr. JORDAN. Under the bonded-warehouse system, by which you want to seek outside capital or some other system of financing it away from the local banks, you would necessarily have to show the grade, because if you borrowed 80 per cent of its market value you would have to know the grade in order to ascertain its market value, but in our proposed system of ginning the sampling would be done at the gin, and subsequently when the bale was deposited its quality could go right along on the receipt.

Our system of sampling is simply this: When the cotton is received from the condenser it passes through two big steel rollers operating in opposite directions, which bats the lint. These rollers go up and down 25 inches, consequently the bat is 25 inches high and 52 inches long; that is the length of the bale. This cotton is batted back against a receding head block held under pressure until the bale is finished. Then it is immediately transferred to another compartment which adjoins it, and you start on the next bale. The bale then is over here, open and absolutely exposed, about 5 feet wide, in layers, and if there are two or three different kinds of cotton in the bale it is all exposed. You then run an auger in it about 6 inches from the end and pull out a sample, then in the center and again 6 or 8 inches from the other end and draw a sample, then you take those three samples drawn from the different parts of the bale and mix them up perfectly and make out of them three or four samples. Then you roll them up nicely in a piece of brown paper, putting in each sample a tag which corresponds with the metallic tag on the bale, giving the number of that bale of cotton, so that the number in these samples will correspond with the number on the bale. Then those samples will be sent to your grading office and there the cotton is graded and the grade marked on the sample, so that if it is middling cotton it will be branded "middling cotton," and this will represent a bale of cotton of middling grade.

The CHAIRMAN. Then it is not necessary to cut that bale any more?

Mr. JORDAN. No, sir. It is not necessary to cut gin-compressed cotton, if the sampling has been done by responsible parties at the gin.

Mr. SIMS. That seems to answer my question. The bale itself is already sampled when it is put in the warehouse, and the receipt could show whether it was middling or low middling, and it would not require any other examination by the purchaser?

Mr. JORDAN. No, sir.

The CHAIRMAN. You are speaking about your particular type of press and the system you pursue?

Mr. SIMS. No; I say if this practice became generally adopted.

Mr. JORDAN. The difficulty under the ordinary gin box, the press box in the ordinary gin house in the South to-day, is that it is a closed box, and when you begin to press that bale you have, whether you go from above or below, you have a closed box, and when you press it you tie on your bands and bagging and roll it out and there is no possible chance for you to sample it until you get the bale out of there; then, as a matter of fact, you must cut.

Mr. SIMS. And leave it hanging out and wasting all over the country.

The CHAIRMAN. It is impossible for you to finish your discussion in five or six minutes. You will either have to remain until to-morrow noon or you will have to write out your complete statement, as invited by the questions you have heard.

Mr. JORDAN. I expect I could round them out better in that way than I could talk them, because I am not in the habit of appearing before committees.

The CHAIRMAN. Can you not stay until to-morrow noon?

Mr. JORDAN. No, sir; because I have wired that I would be in Atlanta.

The CHAIRMAN. Then your remarks will be extended and sent to you. You are at liberty to correct and improve them in any way you wish and enlarge upon them so as to discuss cotton sampling, wrapping of the bale, sampling of the bale, and such other subjects as you wish to cover.

Mr. JORDAN. I never did get to the question of tare, which is creating more trouble than any other one thing.

The CHAIRMAN. That is the thing I wanted you to mention—the country damage, the tare, and so forth. I want you to discuss all those.

Mr. JORDAN. Very well, sir; I shall take great pleasure in giving you the benefit of all the knowledge I am able to gather on the subjects.

The CHAIRMAN. And on anything else you think of. Now, the cotton buyers are bitterly objecting to your plan of sampling at the gin.

Mr. JORDAN. They object to anything which has to do with any change in the present method of baling and handling the American cotton crop.

The CHAIRMAN. We are very much obliged to you for your contribution. We hope that when you receive the notes you will complete your statement and make it as valuable as possible. Do not forget the remedial part in your consideration of the subject, and that is this: When we all agree on what reforms ought to be made, are they

to be made by the ginner and the farmers or by the State law, or shall we undertake to prepare the law on the subject?

Mr. JORDAN. That involves a question right hard to answer when you come down to what the Federal Government can do. I do not know. I know one thing, we ought at least to have the moral support of the Federal Government and of every State government, and I believe there are some features in regard to it with reference to the interstate handling of cotton that the Federal Government should take hold of, and I believe we can take hold of it and greatly assist.

The CHAIRMAN. There is not any question about our power to pass a law prescribing a standard bag and the method of wrapping and sampling it and transporting it in interstate and foreign commerce.

Mr. JORDAN. If you can do that you have a great deal of power to reform.

The CHAIRMAN. Do you people want us to do it? Will the farmers in general stand for it?

Mr. JORDAN. The farmers in general would be—I do not know about the ginner—but the farmers have begged and pleaded for this reform for years, just as the spinners have. Of course, the ginner is going to give the farmer whatever he wants. He has got to do it. I am satisfied of this. I believe you can pass a law that will force the cotton buyer to make out an account sales when he buys a bale of cotton by gross weight and show to the farmer what he has knocked off of that bale of cotton in order to reach the price he offers. He knocks off at least two hundred points. The farmer ought to know what that consists of.

The CHAIRMAN. We can pass a law that a cotton buyer can pay within so many cents of the Liverpool price on that day.

Mr. JORDAN. We ought to get away from the purchase of the bale by gross weight and buy cotton from the farmers by net weights, just as the buyer turns right around and sells to the spinner. The spinner never bought a bale by gross weight in his life. You can not sell him a bale by gross weight. He buys by net weight, with a statement showing all fixed charges that enter into the transaction. Now, when you turn to the farmers, you not only put your own grade on his cotton, but your own price and gross weight, and he does not know anything about the transaction. And I say it is not fair or right. If the Federal Government can come to the rescue of the cotton grower I think it ought to do it.

Mr. TALCOTT. That is the only way you can get uniformity.

Mr. JORDAN. You must have uniformity.

The CHAIRMAN. The following draft of a bill has been suggested to meet the demands of the situation:

That from and after the passage of this act a standard bale of cotton designed and intended for sale and transportation in commerce between the States, Territories and districts of the United States and in commerce with foreign countries shall weigh approximately five hundred pounds, with a tolerance for variation of not more than twenty-five pounds, either above or below that weight.

Such standard bale shall be packed in a box not longer than fifty-four inches nor wider than twenty-seven inches. Such bale shall be well wrapped on the two edges of the bale with substantial, durable covering, of texture woven sufficiently close to hold the marks which may be placed thereon. The ends shall be well secured, and no part of the bale be left uncovered except on the flat sides of the bale when the covering is too narrow to meet and cover the flat side before the bale is compressed.

SEC. 2. Each ginner, while the cotton is being ginned, shall take therefrom a fair and average sample and wrap it in a separate package and write upon it a certificate that it is a fair sample of the bale with which it corresponds in marks and numbers and certifying also the weight of the bale of cotton and the amount of tare thereon, in the weight of which there shall be allowed a tolerance of not more than one-pound above and below, and either upon the covering of the bale of cotton or upon a tag securely attached thereto the number, weight, and tare of the bale shall be marked, together with the initials of the name of the owner or person for whom it was ginned and packed. Such sample shall be delivered to the owner by the ginner, together with the bale of cotton, and in all subsequent sales, hypothecations, and transactions of every sort touching such bale of cotton the sample shall represent the bale of cotton, and it shall be unlawful for any person to cut the covering of such bale of cotton or take another sample therefrom, or deduct more tare than stated in the certificate. The ginner shall, however, prepare and keep a duplicate sample with initialed certificate, and mark for use in case, from any cause, reference thereto may become necessary.

SEC. 3. It shall be unlawful for any ginner to make and deliver or for any person knowingly to accept a false certificate touching the sample of any bale of cotton or to refuse on demand of the owner or of any subsequent holder of such bale of cotton to produce and deliver the duplicate sample retained by him. It shall likewise be unlawful for any ginner or owner of any bale of cotton or any other person to alter, change, substitute, or in any manner tamper with any certified sample of a bale of cotton so as to change or render uncertain the character, grade, or quality thereof. Any person violating any provision of this section shall be guilty of a misdemeanor, and, on conviction thereof in the district court of the United States having jurisdiction, shall be punished by a fine of not exceeding \$100 or imprisonment not exceeding six months, either one or both in the discretion of the court.

SEC. 4. Whenever and wherever a ginner independent of the compress maintained by the carrier shall install what is known as a gin compress so as to compress the cotton at the gin to the density required by the steamship companies for export and as much as a car load of compressed bales of cotton is offered at the nearest railroad station for shipment the common carrier shall furnish the car or cars required and shall charge no higher rates of freight for the transportation of such gin-compressed cotton than the proportionate freight rates which they charge for other cotton compressed at the regular compresses in which the common carriers are interested, either directly or indirectly.

SEC. 5. All laws and parts of laws inconsistent with the provisions of this act are hereby repealed.

(Thereupon at 12 o'clock m. the committee adjourned to meet at the call of the chairman.)

ADDITIONAL STATEMENT OF HARVIE JORDAN, ATLANTA, GA.

GENTLEMEN OF THE COMMITTEE: In addition to the testimony which I have already submitted on this subject I think it better that I should give you a full statement regarding the detailed methods at present pursued in the baling, compressing, and transporting of American cotton from the ginnery to the spinner.

The system is crude, wasteful, and expensive to the cotton growers, transportation companies by rail and water, and to the spinners.

When a bale is seed cotton, weighing usually from 1,500 to 1,700 pounds, is delivered to a ginnery, the product is run through the gins, where the process of separating the lint from the seed takes place.

The lint is driven by air fans through a large tube into a machine where it is condensed into a thick bat and falls into the box of the gin press.

The gin press boxes are of various sizes, turning out bales of varying dimensions, and the lint, as it drops into the box is tramped down every few minutes by a tramper, which descends and rises under the power of a large steam cylinder located above and over the center of the press box.

The steam in these steam cylinders is constantly being condensed into water, which trickles down from the machine into the lint cotton in the press box, and is the chief cause of "artificial damp" and damage to the interior of American bales about which so much complaint is made by spinners.

I have personally seen a number of bales of cotton opened in New England mills, and found in the center of the bales several pounds of cotton matted together, decayed, and unfitted for spinning purposes, caused by the overhead steam tramper in the average gin-press box.

This condition will continue so long as the present system is used in the ginneries.

Now, when all the lint in the bale has been separated from the seed the power is applied and the lint is pressed to a density of about 12 pounds to the cubic foot, the weight of the bale averaging a little over 500 pounds as a rule. The dimensions of the bale will average 30 by 46 by 56 inches.

The covering of the bales at the ginnery consists of 6 yards of jute bagging of varying weights and texture. It may weigh $1\frac{1}{2}$, 2, or $2\frac{1}{2}$ pounds per yard, and may be old, second-class, or new bagging.

If the ginner has a fixed charge for ginning and wrapping the bale, he is likely to use cheap, light, second-hand bagging, in order to increase his profits on the transaction, and, as most of the crop is ginned in this way, the bales are poorly and cheaply covered.

Six iron bands, 1 inch wide and 11 feet long, and six iron buckles are used to bind and hold the lint and bagging on the bale.

Under this system the total tare of covering and bands on the different bales will vary from 18 to 22 pounds, owing to the weight of the bagging used.

All jute bagging is coarse and loosely woven, and through which the outer layers of the lint cotton in the bale can be seen and through which dirt, water, and trash can easily find its way into the lint.

The cotton buyers' associations have ironclad rules and regulations as to the number of yards of bagging and bands which the farmers are allowed to put on their cotton bales at the ginnery.

These rules provide for only 6 yards of bagging and six bands. If more bagging is used a penalty of from 50 cents to \$1 per bale is deducted from the total price paid the farmer for the bale.

As the bagging is not woven wide enough to meet on both sides of the bale, there is always a space of from 8 to 10 inches on both sides of the bale left uncovered and the lint exposed to mud, dirt, trash, and anything else it may come in contact with.

The bale in this condition is transported by wagon from the ginnery to the market point, and there either unloaded at the warehouse and the bale cut for sampling or it may be cut by the buyers on the wagon in the streets before going to the warehouse.

In either event the bagging is slashed 8 to 10 inches between the bands on both sides of the bale and a quantity of lint taken out of each opening, which is then mixed together, dressed down, some of the lint thrown into a big box, and the other rolled up, wrapped in paper, and labeled for the buyer's use.

Sometimes the bales are weighed before cutting and sometimes afterwards. In either event the farmer loses the weight and value of all samples, as the buyers usually deduct about 10 points out of the price in making the market for the farmers to cover probable loss of about 5 pounds in the ultimate weight of the bale on delivery to consumers, hence the samples and other waste of lint from the bales are all velvet to the cotton trade in all market centers, whether in this country or in Europe.

But this does not represent all of the unfair deductions in the price paid to the farmers. The most serious deduction is caused by the arbitrary ruling of the Liverpool Cotton Exchange in fixing the deduction of 6 per cent from the gross weight of all American bales exported for tare, or bagging and ties.

I have shown that the average weight of the tare fixed by the cotton buyers' associations for the farmers to put on at the ginnery does not exceed 18 to 22 pounds, a medium of 20 pounds coming nearest the average.

As the spinners buy cotton by net weight and do not pay for the bagging and ties, the buyers must of necessity deduct the weight of the bagging and ties in making the price to be paid to the farmers.

Instead, however, of deducting the actual weight of the tare, in many, and I assume most, cases the full 6 per cent of the gross weight of the bale, or an average of 30 pounds per bale, is deducted as one of the many fixed charges which the farmer must pay.

It is quite clear, therefore, if the farmer puts on only an average of 20 pounds of tare on his bale and the buyers are allowed to deduct an average of 30 pounds per bale in making the price paid to the farmer, the farmer must of

necessity lose from 8 to 10 pounds of his lint cotton in each bale, for which he receives no compensation whatever.

The full tare is put on at the large compress plant, and this is where the profit on patching comes in so handsomely to the large exporters.

This matter can only be equitably adjusted by the enactment of legislation requiring a uniform weight of bagging to be used and placed on all bales, and requiring buyers in this country to deduct only the exact weight of the tare on the bales as they come from the ginnery.

If the buyers, who mutilate the bales by cutting and slashing the bagging, want to patch these holes, let them do so at their own expense and not at the expense of the farmers, who are innocent parties.

From the local market points, the bales, after having passed through the first mutilating process of cutting and slashing the bagging for samples and purchase, are loaded on cars and shipped to the nearest large compress plant for recompression, preparatory for transportation by rail or water to final destination for consumption.

The ordinary gin-pressed bales having a density of only 12 pounds to the cubic foot can only load 25 bales, or 12,500 pounds, into a box car with a carrying capacity of 40,000 pounds; hence the so-called flat-bale freight rate is applied by the railroads to all these local shipments of cotton from points of origin to the large compress plants.

This rate is from 8 to 10 cents per hundred higher than the rate charged after recompression. Ordinarily, it requires 3 box cars to carry what should be loaded into one box car if the cotton bales were compressed to full density at the gin house. To be exact, 75 bales of gin-compressed cotton can be easily loaded into a 34-foot box car and 100 bales into a 36-foot box car.

At the large compresses, the cars loaded with the flat bales are run into sidings and unloaded, the bales being roughly handled with hooks, and in many instances the bales left out in the weather on open sheds or on the ground, during periods of congestion, subjected to the damaging effects of wind, rain, mud, fire, etc., before being finally delivered to the compress for recompression.

When the bales are rolled up before the ponderous jaws of the big steel compress, the original bands are cut from each bale, and strips of bagging (second hand, as a rule) are placed on both sides of each bale to cover the mutilated openings where samples have been taken out, and this process is known as "patching."

It serves two purposes, one of which is to partially cover the sample holes cut into the original bagging placed on the bale at the ginnery, and the other is to add additional weight to the tare of from 4 to 10 pounds, owing to whether the cotton is for shipment to New England mills, where tare deductions are made on a basis of 24 pounds to the bale, or whether it is for foreign export, where the tare deduction is 6 per cent of the gross weight of the bale, or an average of 30 pounds per bale.

When the bale is placed between the ponderous jaws of the big compress, a sudden application of 1,800 tons pressure is applied, instantly reducing the bale from a width of about 48 inches to 8 inches.

As the loose lint in the bale before compression was full of air, this air, in being so suddenly expelled, is said by spinners to seriously damage the lint by cutting the small fibers.

The bale is then tied together with 8 iron bands and buckles, tied loosely enough to enable the lint to expand back to a width of 20 inches after the pressure of the compress jaws are released.

The bale now has usual dimensions of 30 by 20 by 58 inches, and a density of from 20 to 22½ pounds to the cubic foot.

The minimum density allowed by the steamship lines is 22½ pounds to the cubic foot, and to show that this density is not generally obtained, I desire to file with your committee a report of Chief Inspector B. D. Raines, covering investigations of cotton bales delivered at southern ports from September 1, 1912, to May 1, 1913, and which I have marked "Exhibit A." This report also gives data regarding insufficient marks, country damage, spider bands, insufficient bands, etc.

With the bales now pressed out of their original shape, with two or three different kinds of bagging on, all original marks covered up by patching, and the bales unable to stand on end, they are re-marked, probably resampled again by renewed cutting through the patched bagging or by boring into the ends of the bales with long steel augers, they are once more loaded into cars for carriage to the ports for foreign shipment or for interior delivery to domestic mills.

At this stage of the process 50 bales are usually loaded into a car, it requiring only half the number of box cars to haul the bales after recompression as were required to deliver the original plantation or flat bales from points of origin to the big compress.

At the ports the bales are again unloaded for delivery at ship side, if intended for ocean shipment, and after again being subjected, in a rush season, to another siege of lying out in the weather for several weeks, are finally lowered into the hold of the vessel and packed into position by machinery, known as the "screwing-in" process.

At the ports hereafter, very drastic rules of inspection of all cotton bales will be made, and no clean masters' receipts for cotton bales will be issued to exporters unless the bales are delivered to the ports in good condition and meeting the minimum requirements of 22½ pounds density to the cubic foot.

Bales not in good condition will be penalized from 50 cents to \$1 per bale, and this penalty will undoubtedly fall on the farmers as an additional fixed charge, whether he be guilty or not.

In foreign ports the bales are hoisted out of the vessels in a horribly mutilated condition, as a general rule, with strips of old patch bagging hanging in shreds, and wads of lint cotton, greasy, dirty, and damaged, protruding from the sides and ends of the bales.

These sights I have personally witnessed in several of the big European ports.

But as soon as American bales of cotton are landed on foreign soil they are treated with great care and attention. Every dray load of bales from the docks to the warehouse is well covered by thick canvas tarpaulins, and when delivered to the warehouse the bales are stored until delivery is made to the mills for consumption.

In Europe the bales are again subjected to the mutilating process of sampling and resampling, the total amount of lint cotton taken out of each American cotton crop for samples and waste, between the ginnery and the spinner, being estimated at about 100,000 bales, and known as the "city crop," and which I fully believe every pound is a net loss to the farmers.

Thus you see that the American cotton crop as now baled and handled is subjected to more rough treatment from the ginnery to the cotton mill than any other known valuable commodity in the world.

Every fixed charge against an American bale of cotton, and which the farmers have to pay, such as insurance, warehouseage, transportation, sampling and resampling, waste, etc., are all abnormally high because of the antiquated and expensive methods employed in baling and handling the crop.

ECONOMIES OF GIN COMPRESSION.

I will now discuss some of the economic advantages of gin compression; that is, the new system of compressing the bales to full cubic-foot density at the gin-house and doing away with the necessity of recompressing the bales at large compress plants.

The process of compressing cotton bales at the ginnery with modern gin compress machinery is simple and economical. I will briefly outline to you the system as it has been developed by the machinery manufactured by the American Cotton Gin Compress Co., with headquarters at Memphis, Tenn., and of which company I am the president.

The installation of this gin compress in the ginnery does not interfere in any way with the usual gin equipment, nor does it require any additional power to operate the press—the same engine and boiler used for the ordinary 4-70 saw battery of gins being quite sufficient.

The gin compress is simply installed in the space occupied by the common baling press now in use. Indeed, it requires less steam power and hand labor to operate this gin compress than it does to operate the customary overhead steam trumper press, now so generally used in the ginneries of the South.

This gin compress is built entirely of steel and iron and weighs 18 tons, simple in construction and durable in use. It can be easily operated by the ordinary negro labor employed in our ginneries.

I say this because it has been and is now being done in a number of gin plants in the South where these presses have been installed and kept in constant operation through each ginning season for the past four or five years.

The mechanical operation of this press in the ginnery I have already described in my previous testimony, so will not repeat it again.

The present selling price of this gin compress is \$4,500, fully installed in any ginhouse in the South, or they can be leased to ginneries on a basis of 50

cents per bale compressed, with the right of the lessee to purchase the press at any time during the life of the lease.

The present compress fee of 50 cents per bale charged by the large compresses for recompression will pay for the lease charges of this gin compress, and should place these presses easily within reach of a majority of the larger ginneries now operating in the cotton belt without any investment on the part of the lessee.

This system of gin compression gives to every department of cotton trade an absolutely standard, uniform bale as to dimensions—the dimensions of the bale as it is dropped from the press being 20 by 25 by 52 inches.

The density of the bale is 30 pounds to the cubic foot, or 25 per cent greater density than the maximum density obtained by the large recompress plants.

The tare on each bale is uniform, and consists of 4 yards of light, closely woven burlap 48 inches wide and weighing 18 ounces to the yard, 7 iron bands 8 feet long, and 7 light wire buckles, the total tare weighing 12 pounds.

The tare is the same on all bales no matter what the gross weight, and these bales are bought from the farmers and sold to the spinners by a deduction of the actual net weight of the bagging and ties, which is uniformly 12 pounds.

This system breaks up the arbitrary ruling of the Liverpool Cotton Exchange in deducting 6 per cent of the gross weight of American cotton bales for tare, and puts the tare regulations on the same basis of Egyptian cotton, which is actual net weight of the bagging and tare.

I have previously explained the methods of obtaining samples from these gin-compressed bales and will not go over that point again, only to say that if the buyers desire to secure samples for themselves, extra from those obtained at the time the bale is being compressed, it is a simple matter to open the ends of the bales and draw a sample with an augur, then retie up the ends and the bale is in as good condition as before. There is no occasion to cut the sides of the bale as is done with the ordinary plantation bales. There is no necessity for cutting or mutilating these gin-compressed bales in any way, shape, or form.

The uniformity of these gin-compressed bales, and the high density secured at the ginners, permits the easy loading of freight cars to their full carrying capacity at all points of origin and direct shipment to destination.

We load from 75 to 85 bales in 34-foot box cars, and from 100 to 106 bales in 36-foot box cars. These gin-compressed bales increase the storage capacity in warehouses threefold over existing plantation bales, and the same is true of storage quarters at ship side.

The steamship lines have proposed to grant a freight rate based upon actual cubic-foot space occupied by these gin-compressed bales, which reduces the present ocean rate on cotton 25 per cent, and the same concessions in rates are offered by the marine insurance companies.

The bales being entirely covered by closely woven burlap, the lint cotton is protected from dirt, trash, mud, and fully guarded against waste, which is so notoriously bad in the old plantation partially covered bales.

The economic advantages of gin compression are found in giving perfect uniformity to size of bales and the amount of bagging and ties used as a covering; the complete covering of the bales with closely woven burlap; high density, enabling the loading of freight cars to their full carrying capacity at the initial point of loading; the method of securing samples without the cutting and mutilation of the bales; the purchase and sale of the cotton by actual net weight of bagging and ties; reduction in insurance and freight rates; reduction in warehouse charges; prompt shipment and delivery of the cotton from consignor to consignee; and the delivery of the cotton to the mills of the world in first-class condition and free from "country damage," "artificial damp," and other serious objections which attach to the present system.

I wish to specifically call your attention to the fact that many thousands of these gin-compressed bales have been shipped in the past three or four years to cotton spinners in the South, New England, and Europe, and not in a single instance have any reclamations been made or arbitrations demanded for differences in tare, weights, country damage, or artificial damp.

On the contrary, the numerous letters of indorsement from spinners who have used this gin-compressed cotton state that all of such cotton arrived at their mills in perfectly satisfactory condition and free from country damage and artificial damp, and highly commending the new system as far superior to the old.

They especially commend the use of the light, closely woven burlap as a covering, and the method of folding the lint cotton into layers on the inside of the bales as a distinct economic advantage in the operating rooms of the mills.

I wish to emphasize again that the only interests in the entire cotton industry in this country which is antagonistic to gin compression are large cotton firms and combinations of railroads which have vested interests in large compresses, which they feel would be endangered by the general adoption of gin compresses in the ginneries of the cotton belt. The old cry of these interests, that the concentration of cotton bales at these large compress points is vitally essential to the proper handling of the crop by the shippers is all bosh, and is the last plank they have to stand upon in the advocacy of their vested rights in the large compress plants. The railroads in the southeastern cotton belt, which own and control practically all the large compress plants operating in Georgia and Alabama, have for the past three years persistently refused to grant compress rates on the shipment of gin-compressed cotton, notwithstanding the fact that carloads of gin-compressed cotton loaded beyond the ordinary requirements of recompressed bales have been tendered them for shipments from points of origin direct to the ports. They force the payment of the flat bale or uncompressed rates. I can furnish this testimony under oath of shippers who have bought and operate these gin compresses in territories traversed by these roads which own and operate large compress plants.

I have gone at some length into the details of the old and new system of baling cotton in order that you may fully understand the methods employed and thereby have a more comprehensive and intelligent idea of the situation.

I have tried to discuss this whole matter from the standpoint of absolute impartiality, with the desire only of bringing the facts to your attention, with an earnest endeavor to secure, if possible, the emancipation of the great staple product of this country from an outrageous system of handling which has made the American cotton bale the "laughing stock" of the civilized world, and toward which has been given the everlasting condemnation of every cotton spinner who uses American cotton.

If the Congress of the United States can by Federal enactment, through the channels of legislation and through the cooperation of other departments of the Government and State legislation, bring about economic improvements in the baling and marketing of the cotton crop it will mean the annual savings of many, many millions of dollars to the cotton growers of the South.

I am frank to say that I do not believe that these economic reforms in baling cotton will be voluntarily put into practical operation through the initiative of either the farmers or the ginneries.

They want it, and have advocated gin compression for years, but they need and must have the powerful cooperation of the Federal Government in overcoming the selfish vested interests which stand between them and these reforms.

The spinners and cotton growers have for years begged and pleaded for relief through their respective organizations. The steamship lines also pleaded for relief, but were unable to secure the attention of shippers and exporters until the recent adoption of very drastic rules and regulations, which, while forcing some improvements, will continue to be very unsatisfactory so long as the old system of recompression lasts.

The farmers have been kept absolutely in the dark regarding the many high fixed charges which they must pay under existing systems between the ginners and the final delivery of their cotton to the spinners.

The United States Bureau of Plant Industry, the recently created Bureau of Marketing, and the Departments of Commerce and Labor have done and are now doing much good along educational lines in the publication of valuable bulletins and the inauguration of field work, which will be of great assistance in educating the farmers and in bringing about gradually these needed economic reforms.

In order that you may know the extent to which the system of gin compression has been advocated, especially the system which I have outlined to you, I will take the liberty of filing as a part of my testimony the names of organizations and individuals who are insisting upon the general use of square-bale gin compression in the South, and which I have marked "Exhibit B," together with copies of letters from present owners and users of these gin compresses and from spinners who have used the cotton bales from these presses, which I have marked "Exhibit C," and to all of which I respectfully invite your attention.

BONDED COTTON WAREHOUSES.

The chairman and other members of your committee have asked me to outline a contemplated system of bonded warehouses, through which farmers could economically finance their cotton in storage and market the crop slowly instead of dumping the product on a glutted market as at present.

A warehouse constructed according to the plans and specifications of the Southeastern Tariff Association, which association regulates rates of insurance on cotton in the interior of the cotton belt, based on first cost, amounts to about \$6 per bale space. That is to say, a compartment for holding 1,000 plantation or flat bales will cost about \$6,000. It would cost about \$2,000 for the storage of 1,000 gin-compressed bales.

These specifications include construction of brick fire walls, the overhead fire sprinkler system, with water tank and city water connection. Such a warehouse, containing as many compartments as desired, would secure an insurance rate on cotton stored, the bales standing on end, of 15 cents per each \$100 worth of cotton for 12 months, or a little over one-half cent per bale per month.

The present average rate of insurance on cotton in storage in ordinary warehouses, without the fire sprinkler system of protection, is from 15 cents to 40 cents per month, which is extremely expensive and practically prohibitive.

A first-class fire-protected warehouse for the handling of cotton in storage at a minimum cost of insurance and bonded in some good bonding company would serve a three-fold valuable purpose to the farmers.

First. The insurance would be negligible.

Second. The storage per month on cotton to be held for several months would be much cheaper than present charges, where the warehouses are unoccupied for half the year.

Third. The cotton receipts issued from a bonded warehouse, guaranteeing the title to cotton and the undoubted validity of the receipt representing the number of bales designated as actually in storage, together with guaranty of weights, grades, and condition of the cotton, would render such receipts negotiable for loans of from 75 to 80 per cent of the market value of the product in any financial center in the United States and at very low rates of interest.

A bale of cotton stored in such a warehouse, and against which a warehouse receipt is issued as already specified, would present the highest class of gilt-edge collateral security.

It should readily command loans at the lowest rates of interest because of its absolute safety and the liquidity of the asset, based upon the ever-ready market for cotton at all periods of the year and at all points in the cotton belt or elsewhere.

The adoption of such a system would enable the cotton growers to secure the maximum staple value of their cotton at all times, because it would permit them to hold their cotton during temporary periods of depression, and it would tend to regulate the supply of the staple to meet only the legitimate demands of consumption, and thereby prevent depression oftentimes caused by the heavy rush of cotton on the market during the harvesting period to secure ready cash to meet maturing obligations for supplies bought from merchants to plant and grow the crop.

Under such a system the present use of the large cotton exchanges for the speculative handling of the crop would be greatly minimized and might be gradually abolished entirely without any detriment or danger to the cotton trade.

If the crop could be held in warehouses and marketed slowly to meet the requirements of the spinners for consumption from month to month, there would be no urgent need for selling for future delivery and hedging contracts on the exchanges. The price of the staple would be practically uniform, representing a reasonable profit to the grower. The cotton would be in the warehouses held in the name of the owners, financed at low rates of interest, and the spinners could secure their needs as they called for it, maintaining thereby a stable market price for which they have been clamoring so many years.

It might cost them a little more, perhaps, but then they would be relieved of that constant fear of a fluctuating market for which the existence of the large cotton exchanges are said to be responsible.

In this connection I wish to say that until some practical system for marketing the cotton crop is adopted it would be a dangerous experiment to abolish the cotton exchanges. They are the medium now through which the crop is

largely handled, and their sudden abolition without the adoption of better methods would react most heavily on the growers, who are less able to protect themselves than any other interest in the cotton industry. Undoubtedly they should be regulated by Federal legislation and made to perform their legitimate functions.

I wish to thank your committee for permitting me at such length to discuss this whole subject.

EXHIBIT A.

Report showing total number bales of cotton and cotton linters condemned and inspected at all ports from Sept. 1, 1912, to May 1, 1913.

Ports.	Marks.	Insufficient density.	Country damage.	Spider bands.	Insufficient bands.	Total condemned
Galveston.....	148,860	10,684	146,571	117,106	19,994	443,179
Texas City.....	5,215	336	20,381	23,418	50	49,400
New Orleans.....	247,535	15,582	13,106	4,254	374	280,851
Savannah.....	71,134	16,410	21,276	796	31,212	140,828
Brunswick.....	50,779	257	10,168	.....	.....	61,204
Port Arthur.....	51,012	67	5,901	3,608	170	60,458
Mobile.....	2,840	4,443	1,585	.....	.....	8,868
Charleston.....	2,043	191	.....	.....	.....	2,234
Total.....	579,418	47,934	218,688	149,182	51,800	1,047,022

Total bales inspected.

Galveston.....	2,912,549
Texas City.....	622,790
New Orleans.....	1,161,080
Savannah.....	756,088
Brunswick.....	207,788
Port Arthur.....	136,899
Mobile.....	134,261
Charleston.....	152,167

Total..... 6,083,622

AM foreign direct cotton inspected; but not coastwise, either domestic or foreign.

Country damage includes wet, rusty, oily, greasy, cement stained, muddy, mildew, brick dust, rusty bands, tar soiled, ink stains, and other damage.

Respectfully submitted.

SOUTH ATLANTIC & GULF COTTON INSPECTION BUREAU,
B. D. RAINES, *Chief Inspector.*

MAY 1, 1913.

EXHIBIT B.

BENEFITS TO TRANSPORTATION COMPANIES.

ESTIMATES FROM RAILROAD MEN.

An officer of the freight department of the Illinois Central Railroad, which runs through the cotton belt and which hauls a large quantity of cotton, has furnished the following illustration of the car space and time now required to handle cotton between the farm, the compress, and the port of New Orleans:

Cotton originating at Duck Hill, Miss., if shipped north will be compressed at Grenada, 12 miles distant; if shipped south, it will be compressed at Winona, also 12 miles distant. The average time consumed in the conveyance of 100 bales to either of those places is 2 days, and 4 box cars are required for the service. Should there be congestion at either point, which is likely during the three

months of the busy season, the cars will be held 3 or 4 days before they can be unloaded and moved out of the compress yard. Assuming that only 2 days be thus consumed, the shortest possible time, that is equivalent to 1 car for 8 days. Moreover, to carry the cotton to its destination, north or south, 2 cars must be run into the compress and be there loaded, the average time occupied in this way being 3 days. From the compress point to Memphis or New Orleans is 2 days. Thus 2 cars are occupied 5 days, equivalent to 1 car for 10 days, and adding the 8 days for conveyance to the compress, 18 days in moving 100 bales from the initial point to Memphis, the point of concentration, or New Orleans, the port for ocean shipment. A 40-foot car loaded at Duck Hill with 100 bales will reach Memphis or New Orleans in the same time (2 days). It will thus be seen that one 40-foot car employed for 2 days on gin-compressed cotton will do the same amount of work that requires 18 days under the present system.

* * * * *

One long haul from gin to port versus six shorter hauls; part of the cost of unloading and reloading freight cars at compress points; loss of time (demurrage) of freight cars arising from unloading and reloading; cost of shunting and marshaling trains; locomotives, labor, fuel, and other stores at compress points; shorter trains to haul and consequent reduced trackage; reduction in number of locomotives necessary to perform the same work; saving in space and in consequent cost of sidings, goods staging, and warehouse construction; not to mention the matter of interest upon the capital cost of the same nor the items of cost which come into their account as working expenses.

* * * * *

There is no question but that there is a demand for better handling of cotton. This any handler will tell you, regardless of his interests or his prejudices. The spinners of the world are demanding an improved bale and a better handling of American cotton, which is the only cotton that is handled in a slipshod, ragged way. All other cotton-raising countries have long since adopted improved methods of baling and have a perfectly covered and well cared-for bale. The American is the only bale that is permitted to lie around in the weather exposed to damage and stealings and every character of waste.

EXHIBIT C.

RECOMMENDATIONS AND INDORSEMENTS OF SQUARE-BALE GIN COMPRESSION.

The manner in which American cotton is baled, handled, and delivered to the spinners and manufacturers for consumption is a disgrace to the civilized world and especially to the American Nation.

RECOMMENDATIONS OF GROWERS AND SPINNERS.

For years the International Federation of Master Cotton Spinners' and Manufacturers' Associations, the American Spinners' Associations, and the cotton growers' organizations of America have annually condemned the American cotton bale and demanded economic reforms in its baling, handling, and delivery to consumers through the medium of gin compression.

At the great international cotton conference held at Atlanta, Ga., October 7-8, 1907, the following resolution upon the subject was unanimously adopted:

"We condemn the bagging now in use, first, because of its rough and coarse nature it invites rough treatment; second, it does not hold the marks; third, on account of its great weight and bulk it entails heavy loss in freight. We therefore recommend the use of a light burlap or covering made of cotton, such as Osnaburg, 10 ounces weight per yard, 40 inches wide. We recommend that all planters, wherever practicable, put in as rapidly as possible gin compresses, and in baling of cotton the Egyptian character of bale be adopted, the ties of the Egyptian type, the weight of the bale 500 pounds, the density 35 pounds, and the bale to be marked upon both ends with weight, grade, and staple."

At the last meeting of the International Federation of Master Cotton Spinners' and Manufacturers' Associations, held at Barcelona, Spain, May 7, 8, and 9, 1911, the following resolution was adopted:

"That this congress confirms the convenience resulting from the net-weight cotton contract and urges the members of each affiliated association to buy at least a portion of their cotton requirements on its basis, the congress being of

the opinion that only by the adoption of such contract the American cotton producer can be induced to adopt the new system of baling and handling cotton, as previously recommended by the international federation."

The American Cotton Manufacturers' Association, in their annual meeting at Richmond, Va., May 18 and 19, 1911, indorsed the gin compression of cotton, and urged its general adoption by the ginner and cotton growers of the cotton belt.

The French Spinners' Association, at a meeting held at Rouen, France, May 23, 1911, passed strong resolutions indorsing the gin-compressed bale, and urged its speedy adoption by the American cotton growers.

At a meeting of spinners and cotton merchants, affiliated with the Manchester Cotton Association and the Oldham Spinners' Association, held at Manchester, England, May 25, 1911, the adoption of the new system of baling by gin-house compression, and the economic handling of the American cotton crop, was warmly indorsed, and the hope expressed that present antiquated and expensive methods employed in the baling and handling of the American cotton crop would soon become a thing of the past.

The Farmers' Educational and Cooperative Union of America, embracing a membership of several hundred thousand cotton growers in the Southern States of America, has for the past several years in its annual conventions urged the adoption of gin compression and more economic and direct trade relations with the spinners.

The Southern Cotton Association, embracing the entire American cotton belt in its membership, has urged in every possible way the speedy adoption of gin compression and a general reform in the present wasteful methods employed in the baling and handling of the American cotton crop.

The Interstate Commerce Commission of the United States Government delivered an opinion dealing with the baling of American cotton on May 11, 1910, and in the course of its opinion the commission said:

"It is not deemed amiss to call attention of cotton growers and shippers and the railroads to the fact that cotton bales from the United States shipped to England are received in worse condition, as to packing, than cotton bales arriving there from any other country."

The commissioner of the United States Bureau of Corporations, at Washington, D. C., has recently issued a report, severely condemning the present system of tare, as applied to American cotton bales, and stating that the ideal cotton bale of the future will be a gin-compressed bale.

EXHIBIT C.

MEMPHIS, TENN., *January 13, 1913.*

FARMERS GIN COMPRESS & COTTON CO.,

Memphis, Tenn.

DEAR SIR: Referring to your inquiries, we are pleased to say that we have been operating two of your gin compresses in our ginnery on the Mary Mac plantation at Robinsonville, Miss., for the past three seasons. From every viewpoint these machines have given perfect satisfaction.

We have two batteries of four 80-saw gins each. Each battery has a capacity of 60 bales per day, and one press to each battery easily handles this cotton with some time to spare between each bale. Our bales have a uniform density of 30 pounds to the cubic foot, are completely covered with 16-ounce burlap, and have a uniform tare of 12 pounds. Our average is over 500 pounds to the bale, but when necessary can put up bales weighing 600 or over.

We use ordinary plantation labor to handle our presses, and can train a new crew in a few days.

We ship our cotton directly from our ginnery to the mills, either in New England or to Europe, and can get through bills of lading with compressed freight rates. We feel safe in stating that there is an actual economic saving of from \$6 to \$8 per bale under this system compared with the old system.

We have shipped many thousands of these bales to spinners, and have never had a bale rejected, not a reclamation for any cause, and have only favorable reports from these spinners, who state they like the package better than any they ever handled.

Yours, very truly,

MARY MAC PLANTATION CO.
JOHN McGRATH, *Secretary.*

TESTIMONIALS.

The company is in possession of a very large number of letters of indorsement and recommendation from planters and spinners in the United States, Great Britain, and the Continent, from which the subjoined have been selected. These communications prove not only the keen interest which every section of the trade is taking in the exploitation and development of gin compression, but they also demonstrate the practical interest which is being exhibited in the press of this company.

PARKER COTTON MILLS,
Greenville, S. C., July 23, 1909.

HARVIE JORDAN, Esq.,

President Farmers' Gin Compress & Cotton Co., Atlanta, Ga.

DEAR MR. JORDAN: I am in thorough sympathy with you in your efforts to improve the baling and handling of cotton, and think the method you have adopted of a better compressed bale, compressed at the gin, baled with lighter bagging than that previously used, is the proper method, and that purchases of cotton should be made, therefore, on the basis of net weight, so that the use of lighter bagging is of no disadvantage to the planter.

You are authorized to use my name in any way as indorsing your efforts, as I shall be pleased also to indorse the efforts of any others who are working practically to the same lines. So far as I have been able to judge, your propositions are practicable, and I believe that with the assistance of spinners and planters—both of whom are largely interested in the question—success will be the result of your efforts. I feel so strongly that the spinners must themselves encourage and make possible this reform of ginning that I have no hesitation in urging my mill friends to cooperate with me by giving you subscriptions to the stock of your corporation.

Yours, truly,

LEWIS W. PARKER, *President.*

STONEWALL COTTON MILLS,
Stonewall, Miss., September 16, 1909.

FARMERS' GIN COMPRESS & COTTON CO.,

Memphis, Tenn.

GENTLEMEN: I am in receipt of your favor of recent date, and in reply beg to state that I have received some of the cotton compressed on your gin compress at our cotton mill. I gave this special attention from the time it was opened until it went through the first processes of manufacturing. This cotton opened up all right from the bale and was very easy to handle by the help as it went into the "mixing." It came off in more uniform layers, or flakes, and at a much greater advantage than does the cotton compressed on the old-style compresses. The cotton compressed on the big presses is so closely packed together that more labor is required in tearing it up.

I also found that this cotton saves warehouse room, as it can be more closely stacked and placed in the warehouse to greater advantage.

I hope your gin compresses will soon be established all over the South, for I would like very much to handle a lot of this cotton at our mill. With best wishes,

Yours, very truly,

W. A. HALBERT,
Buyer for Stonewall Cotton Mills.

GREENWOOD, MISS., March 14, 1911.

FARMERS' GIN COMPRESS & COTTON CO.,

Memphis, Tenn.

GENTLEMEN: We, the undersigned planters, bankers, cotton handlers, and others, having been this day present to witness a gin compress baling demonstration of your steel gin compress on the plantation of Mr. S. F. Jones, near Greenwood, Miss., take pleasure in making the following indorsement of the machine and the new-style bale delivered from the press:

The machine, built entirely of iron and steel, appears to be not only durable, but simple in operation, and under our observation did efficient and satisfactory work with ordinary unskilled labor employed in its operation.

The lint cotton is received as it falls from the gin condenser, passing through two large steel rollers, is folded nicely back against a receding headblock under steam pressure. After the bale is ginned the lint is transferred at once from the receiving packer box across to another department for compression, and the gins are put to work on another bale without delay. The compression is completed by hydraulic pressure in about two minutes, and the bale at once tied out, the whole process not consuming over five minutes. The bale is entirely covered with 4 yards of light burlap, held in place with seven bands 8 feet long, the whole tare not exceeding 11 pounds. The bale is satisfactorily sampled and ready for shipment direct to spinners at the least possible cost of handling and transportation, and, in our opinion, the adoption of such a system of gin compression generally by all cotton planters will mean a tremendous saving over the present methods in baling and handling the old-fashioned plantation bale.

Your gin compress appears to be in every respect a mechanical success, and we hope to see its general adoption by the planters and ginnerers of the South.

Epsie Jennings, planter, Greenwood, Miss.; T. H. McKenzie, planter, Lula, Miss.; Tom James, planter, Swan Lake, Miss.; E. T. Avant, planter, Minter City, Miss.; Forrest Gin Co., E. Cahn, president, Forrest, Miss.; Will Dockery, planter, Dockery, Miss.; A. McC. Kimbrough, planter and banker, Greenwood; Kimbrough & Steele, planters, by T. F. Steele, Morgan City; A. G. McLemore, planter, Gerin, Miss.; Walter Clark, planter, Clarksdale, Miss.; N. L. Cockrell, planter, Itta Bena, Miss.; H. L. Walton, planter, Sunny Side, Miss.; O. S. Bledsoe, jr., planter, Shell Mound, Miss.; D. S. Jones, planter, Highlandale, Miss.; T. C. Buford, planter, Summerville, Miss.; M. P. Sturdevant, planter and banker, Glendora, Miss.; W. S. Wingfield, planter, Shell Mound, Miss.; Wm. E. Cook, mechanical engineer, Shell Mound, Miss.; Minter City Oil Works, per J. E. Tolbert, Minter City, Miss.; S. F. Jones, planter, Greenwood, Miss.; W. A. Gilreath, cotton broker, Greenville, S. C.

The above subscribing planters own and operate more than 100,000 acres of rich cotton lands in the Yazoo River delta and are among the most prominent and successful cotton planters in the South.

BOSTON, MASS., March 2, 1911.

HARVIE JORDAN,

President Farmers' Gin Compress & Cotton Co., Atlanta, Ga.

DEAR SIR: All mills to whom we have sold your gin-compressed cotton are well pleased with condition of the bales, and will give premium for saving in tare. Will be glad to cooperate in promoting this style of bale, which is a great improvement over the usual bale.

The spinners urge this reform in baling.

Houghton & Co.

HAMILTON MANUFACTURING CO.,

Lowell, Mass., March 2, 1911.

HARVIE JORDAN,

President Farmers' Gin Compress & Cotton Co., Atlanta, Ga.

DEAR SIR: I favor the gin compression of cotton of square-bale type weighing 500 pounds average, and urge all planters to adopt that system. We prefer such cotton for our mills, and will purchase same on allowance of actual net weight of bagging and ties.

CHAS. B. AMORY,

President.

ARTHUR R. SHARP,

Treasurer Hamilton Manufacturing Co.

LOBRAINE MANUFACTURING CO.,

Pawtucket, R. I., March 2, 1911.

MR. HARVIE JORDAN,

President Farmers' Gin Compress Co., Atlanta, Ga.

DEAR SIR: I am glad to know that your company is making progress, and that gin compression is being introduced to considerable extent. In common with

other manufacturers, both here and abroad, I am heartily in favor of gin compression of cotton and of the square-bale type, weighing 500 pounds, as approved by the Atlanta conference. It is to be hoped that planters will adopt this system, and I believe if they do so they will find it advantageous and profitable by selling manufacturers cotton on net-weight basis. I am sure they will find a large number of manufacturers ready to cooperate by buying cotton put up in this way, and thus help to bring about a better American bale. With kind regards,

J. B. MACCOLL, *Treasurer.*

UNION-BUFFALO MILLS CO.,
Spartanburg, S. C., March 1, 1911.

Mr. HARVE JORDAN,
President Farmers' Gin Compress Co., Atlanta, Ga.

DEAR SIR: I take great pleasure in saying that I favor gin compression of cotton, of the square-bale type, weighing about 500 pounds, and would urge all planters to adopt that system of baling. I would be glad to purchase all of my cotton for my mills of that type, and will purchase same on allowance of actual weight of bagging and ties. I would be willing also to give a small premium per bale, for I do think that we would save handsomely in the matter of waste. And then by gin compression the fiber of the cotton would not be cut and injured, as is very often the case now with the present compressed bales of cotton. I will be glad to give all cooperation to gin compression.

Yours, very truly,

AUG. W. SMITH, *President.*

POCASSETT MANUFACTURING CO.,
Fall River, Mass., March 2, 1911.

Mr. HARVE JORDAN,
President Farmers' Gin Compress Co., Atlanta, Ga.

DEAR SIR: I am heartily in favor of the gin compression of cotton of the square-bale type, weighing 500 pounds, and would urge all planters to adopt that system. We prefer such cotton for the mill, as it comes to us in much better shape, is more easily handled, and takes less room for storage, and would purchase the same on allowance of actual net weight, bagging and ties. I will give all cooperation possible to gin compression.

Very truly, yours,

W. F. SNOVE, *Treasurer.*

THE DAVOL MILLS,
Fall River, Mass., March 9, 1911.

Mr. HARVE JORDAN,
President Farmers' Gin Compress Co., Atlanta, Ga.

DEAR SIR: I think I have written to you before, saying that I favored cotton put up in square bales and covered with burlap. Surely I should welcome any change from the present one, as it seems to me a disgrace, the condition that most of our cotton is in when it now arrives.

Yours, very truly,

GEO. H. HILLS, *Treasurer.*

ASH GROVE, ROYTON, ENGLAND,
April 6, 1910.

FARMERS' GIN COMPRESS & COTTON CO.,
Atlanta, Ga.

GENTLEMEN: In reply to your letter of March 21, 1910, I shall have much pleasure in rendering what assistance I can in getting a general adoption of gin compression for cotton.

In my opinion, you ought to have a lower rate for gin compress cotton on your lines than is now charged for the ordinary compress bale. I understand that with the latter only about 50 bales can be loaded in a freight car, against 85 to 100, according to your statement, of gin-compressed bales. So that you are

very moderate in your request to have a uniform rate for both gin compress and large compress bales.

I append my answers to your interrogations, as follows:

First. Are you in favor of gin compression?

Answer. Yes.

Second. Do you favor a square-bale type weighing 500 pounds?

Answer. Yes.

Third. Do not ginners generally favor gin compression?

Answer. I am not in touch with ginners and can not say.

Fourth. Do you favor light tare and buying by net weight?

Answer. Yes; on Liverpool terms of allowance of 2 pounds per bale for double draft.

Fifth. Do you not regard the present American bale as the most wasteful and expensive of all methods of preparing cotton for market?

Answer. Yes; the waste in transit and the wretched condition in which American bales arrive in England is a constant cause of complaint.

Sixth. Is not the present American bale unsatisfactory and expensive to handle by the spinners of American cotton?

Answer. Yes.

Seventh. Do you favor the bale prepared by the Farmers Gin Compress Co., of Memphis, Tenn.?

Answer. I am certainly in favor of a bale compressed on the lines adopted by the Farmers Gin Compress Co., of Memphis, Tenn.

Eighth. Are you willing to pay as a premium for gin-compress cotton the market difference in the weight of the heavy tare on the ordinary American bale and the lighter tare on the gin-compressed bale, provided you get the difference in lint?

Answer. I think No. 4 answers this question. The seller must get the advantage if we buy on net weight.

Ninth. Do you advise all ginneries in America to adopt gin compress of the square bale type in preference to the present system?

Answer. Yes.

Tenth. Do you advise the growers of American cotton in the interest of economy to patronize the gin-compress bale wherever possible?

Answer. Yes.

Eleventh. Has not the International Federation of Master Cotton Spinners and Manufacturers passed resolutions advocating the speedy adoption of the gin compression of American cotton, the reduction of tare and the purchase of such cotton by net weight?

Answer. Yes.

Twelfth. Would not the adoption of gin-compressed bales compressed to a density of 30 pounds to the cubic foot with light tare tend to materially reduce present waste and loss in the handling of American cotton from the grower to the spinner?

Answer. Yes.

Remarks.—It appears to me that many advantages will accrue to both planter and spinner by the adoption of compression first hand at the gin.

I should like to know how the question of sampling will be overcome without damaging the bales.

Yours, truly,

JOHN B. TATTERSALL.

INTERNATIONAL FEDERATION OF MASTER COTTON SPINNERS'
AND MANUFACTURERS' ASSOCIATIONS,
Manchester, England, April 9, 1910.

MR. HARVIE JORDAN,

President Farmers Gin Compress & Cotton Co., Atlanta, Ga.

DEAR SIR: I am directed by Mr. C. W. Macara to thank you for your letters and inclosures of March 15, 17, and 25, and to express his great satisfaction with the progress you are able to record in regard to improving the system of packing American cotton. With regard to the question form which you request Mr. Macara to fill up, I have to say that the whole ground has been covered over and over again. At all our international congresses there has been an absolutely unanimous condemnation of the wasteful and disgraceful methods employed in packing cotton on your side; and nothing stronger in your support can be said than you will find in the reports which have been sent to you

annually. The resolutions voice the opinion of the spinners of the world, and the president, committee, and delegates at the annual congresses have done their utmost to bring home to the American packers the urgent need for immediate reform. You may be assured that the great work you are undertaking will be thoroughly appreciated on this side.

Yours, truly,

C. DAVIDSON, *Secretary*.

OLDHAM MASTER COTTON SPINNERS' ASSOCIATION (LTD.),
Oldham, England, April 6, 1910.

FARMERS GIN COMPRESS & COTTON CO.,

Atlanta, Ga.

GENTLEMEN: I am obliged by your letter of March 21, 1910, and am glad to learn you are pressing for railway-rate adjustment on gin-compress cotton.

We have not yet had much experience of gin-compress cotton, because the proportion of such cotton arriving at Liverpool or Manchester is at present very small in comparison to bales compressed in the usual way. But from what we have seen and the experience of those spinners who have bought gin-compress cotton, the bales are found to be neat, tidy, compact, easy to handle, and very convenient for freight packing. They certainly justify you in demanding a rate adjustment, not only from railway companies, but also from shipping lines, and we trust you will be entirely successful in your efforts.

I think a density of 30 pounds per cubic foot would be a happy medium, as many spinners are inclined to the opinion that a density of 40 pounds per cubic foot tends to injure the fiber.

Gin compression on your lines will be a gain to planter, carrier, and spinner. It will save a great amount of country damage in the abolition of the second handling at the large compresses, and I trust you will push this important reform with your best endeavors.

Yours, truly,

HAROLD CLIFF, *Secretary*.

RESOLUTION.

Whereas, we, the Montgomery County Farmers Union, are vitally interested in the better marketing of our farm products, and to this end are operating a gin compress and warehouse for cotton. It has come to our knowledge, from the Hon. Harvie Jordan, that he has been invited by the traffic managers of all the railroads operating in the cotton belt to appear before their meeting at Hot Springs, Va., next month, and present the method of gin compression of cotton; also, our claim for a lower rate on such bale. Now, therefore, be it

Resolved, That we unqualifiedly indorse the gin-compress method of baling cotton.

First. Because the bales are sold on actual tare.

Second. Elimination of loss from numerous samplings.

Third. Exclusion of air, preventing loss in weight when held.

Fourth. The spinners, our customers, all praise this as an economical method, being ready buyers at a premium over the old baling process.

Fifth. The reduced density and size of the package being more economically handled, both in warehouse storage and transportation.

All of which we recommend to your favorable consideration, and respectfully request a lower or compressed rate, at least 8½ cents per 100 pounds under the ordinary flat-bale rate now in effect.

Respectfully submitted,

J. B. STEPHENS, *President*.

Unanimously adopted by Montgomery County F. E. and Co.-Op. U. of A., April 23, 1910.

CHAS. L. GAY, *President Montgomery Local 1908*.

C. H. BILLINGSLEY, *Acting Secretary*.

REPORT OF MECHANICAL EXPERTS.

The following is a report of two mechanical experts of New York City, who fully investigated the mechanism of the farmers' gin compress at Memphis, Tenn., on March 10, 1910:

Our visit to the plant of the Farmers' Gin Compress & Cotton Co. was exceedingly interesting.

Dr. Heber Jones, vice president, accompanied us and showed us their plant in operation. Cotton in the seed was taken by suction to the cleaner (a Rodgers), then to the gin stands, and from the gin stands to their gin compress. Up to the packing stage the operation was in no way different from the usual method of ginning cotton.

When the cotton leaves the gin the treatment is radically different, however. Briefly it is as follows:

The ginned cotton is fed into a hopper, which rises and falls at a given rate of speed upon square vertical shafts.

At about the bottom of the hopper are three rollers extending across same or at right angles to the square shafts referred to above. By a system of bevel gears, receiving motion from the square shaft, the rollers are revolved.

The cotton passes between the rollers as a cloth passes through a wringer, and the upward and downward movement of the hopper causes the cotton to fold in even layers or laps after passing through the rollers.

A horizontally operating piston with oblong surface head is gradually pushed into its chamber as the folds of cotton increase, until at any desired stage the feed from the hopper is stopped. This permits of making a bale any desired weight.

There is a bed or floor of steel, and also a roof, distant from each other the desired thickness of a bale, so that each bale is packed exactly the same as to thickness and also as to length. The cotton is therefore held by floor and roof on two sides and by piston head on third and by solid wall on fourth, or at the point that cotton is fed from hopper. This is the packing operation. It is claimed that the feeding of cotton in layers, as described, is very desirable, in the estimation of millmen.

When the desired quantity of cotton has been packed—ordinarily about 500 pounds—another piston, operating at right angles to the first mentioned, forces the packed bale across the metal floor into position for compressing and recedes again to its chamber. As soon as this is done the operation of packing another bale at once begins, so that a bale is being packed while another is compressed.

As soon as the packed cotton is in position for compressing, pressure from two other pistons compresses the bale to any desired density.

It is held in place until the ties are bound around it; then the compressing pistons recede, a part of the floor is pushed back, and the compressed bale drops out ready for weighing, marking, and shipment.

The standard size of compressed bale adopted by the Farmers' Gin Compress Co. is 20 by 25 by 52 inches.

The density of their bale is 80 pounds to the cubic foot, as against 22 pounds to the cubic foot of the ordinary old-style compressed bale.

The bale which we saw ginned, packed, and compressed was a neat and fully wrapped package. It did not bulge either at ends or sides, and was readily rolled about by one man without use of bale hooks.

This demonstration of compressing the bale at the gin in so satisfactory a manner impressed us greatly. The entire outfit seems to be well constructed and carefully designed.

SYNDICAT NORMAND DE LA FILATURE DE COTON,
Rouen, 1e 23 May, 1911.

M. HARVIE JORDAN,
President of the Farmers' Gin Compress & Cotton Co.,
Atlanta, Ga., U. S. A.,

DEAR SIR: We favor the gin compression of cotton of the square bale, or Egyptian type, weighing 500 pounds average, and covered with burlap instead of jute bagging, and urge all American cotton planters to adopt that system. We prefer such cotton bales for our mills, and will purchase same on allowance of the actual tare of bagging and ties.

This represents the system of baling and buying under the net-weight contract, which has already received the unanimous indorsement of the International Federation of Master Cotton Spinners' and Manufacturers' Associations.

You will remember that in so strongly favoring the gin-compressed bales our syndicate expects to get cotton in a perfectly dry condition, dampness in cotton being the main objection to the present system of baling.

We will gladly cooperate with the American cotton planters in economizing the present heavy expense of baling and marketing American cotton.

POUR LE SYNDICAT NORMAND DE LA FILATURE DE COTON,
CASIMU BERGER, 1e President.

LIVERPOOL, *September 2, 1911.*

FARMERS' GIN COMPRESS & COTTON CO.

GENTLEMEN: During the last year or two we have received several shipments of cotton from Alabama which was made up and pressed on your gins with the covering of light cotton canvas. We sold those bales to several of our mills, and in every instance they looked upon this system of baling cotton as just the thing they should like to see universally adopted. They consider the system altogether superior to the old bales, the canvas being light and thoroughly efficient, the bales being perfect in general appearance, being more compact and less opportunity for waste, besides being easier to handle, and require less space in storing than the ordinary bales. We have not had any claims whatever for excess tares from any of our mills, nor have we had any claims to make on insurance companies for country damages. In a word, the system is perfect.

We remain, gentlemen, yours. truly,

COTTON BUYING CO. (LTD.),
JOSEPH KENNEDY.

 WELLINGTON MILLS,
Bury, Lancashire, September 8, 1911.

FARMERS' GIN COMPRESS & COTTON CO.

GENTLEMEN: During the last year or two we have purchased several lots of cotton which were baled in your gin compress and found the system of baling a great improvement on the old style. The tare was light cotton canvas, which preserved the cotton in a clean and perfect condition. The size and general appearance of the bales were satisfactory, being more compact and easier to handle, and required less room for storage. We found the bales opened up better than the old ones and the lint free from artificial or country damage, and, being folded in layers, were more economical to handle in the opening room.

Taken altogether, we consider the new style of baling a very great improvement.

Yours, truly,

BURY COOPERATIVE MANUFACTURING CO. (LTD.),
J. T. CRABTREE.

 BARLOW & JONES (LTD.),
Manchester, September 15, 1911.

HARVIE JORDAN, Esq.,

Care the Inter-Ocean Industrial Corporation (Ltd).

DEAR MR. HARVIE JORDAN: In May last a sample bale of cotton was sent to us, which had been grown on the Mary Mac plantation, and we were informed that it had been ginned and baled on a plant supplied by your company. It came to our hands in excellent shape, and opened out and worked to our entire satisfaction.

Cotton shipped in similar condition could not fail to commend itself to our English spinners.

I am, faithfully, yours,

I. R. BARLOW.

 MOSSLEY, *September 21, 1911.*

The FARMERS' GIN COMPRESS & COTTON CO.

GENTLEMEN: During this last year we have had some of the cotton which was baled in your gin compress and found the system of baling a great improvement on the old style. The tare was light cotton canvas, which preserved the cotton in a clean and perfect condition. The size and general appearance of the bales was very satisfactory and more easily handled and required less room for storage. We found the bales opened up better than the old ones and the lint free from artificial and country damage, and being folded in layers was more economical to handle in the opening room.

Taken altogether, we consider this new style of baling a very great improvement.

Yours, truly,

MOSSLEY SPINNING CO. (LTD.),
FRANK C. SHAW.

EXHIBIT F.

COST OF HANDLING COTTON UNDER OLD AND NEW SYSTEM.

In the following comparison, showing the advantages of gin compression, the figures are given as accurately as it is possible to make them. There is no overestimation in the matter, and where exact figures are possible they are given. The figures, where possible, are taken from actual tariff sheets and we court a careful examination of them and feel absolutely sure in our position.

The first estimate shows the cost of handling the ordinary flat bale under the old system from the ginners to Liverpool and selling it in that market.

The second estimate shows the cost of handling the cotton from the ginners under the new system in which the bale has been compressed at the ginners.

Estimate for Memphis territory.

	Average per bale.
OLD SYSTEM.	
Bagging and ties.....	\$1. 00
Freight to concentration point for compression.....	1. 50
Drayage to warehouse.....	.15
Storage in warehouse.....	.75
Insurance.....	.40
Commission to cotton factor (commission merchant).....	1. 50
Loss in weight from repeated and excessive sampling, drying out, repeated and careless handling.....	1. 00
Commission to buyer (minimum).....	1. 50
Drayage to compress.....	.15
Compression.....	.50
Furnishing and applying patches.....	.25
Segregating charges (fixed).....	.05
Freight to Liverpool.....	3. 00
Liverpool dues.....	.10
Quay portorage.....	.06
Stamping policy.....	.01
Warehouse rent, Liverpool.....	.10
Fire insurance.....	.15
Cartage and portorage.....	.20
Commission, one-half of 1 per cent.....	.30
Tare (bagging and ties, 6 per cent off).....	3. 60
Country damage.....	.05
Total.....	<u>16. 32</u>

NEW SYSTEM (GIN COMPRESSION).

Bagging and ties.....	.65
Freight (ocean steamers give 25 per cent discount).....	2. 75
Liverpool dues.....	.10
Quay portorage.....	.06
Stamping policy.....	.01
Warehouse rent, Liverpool.....	.10
Fire insurance.....	.15
Cartage and portorage.....	.20
Commission, one-half of 1 per cent.....	.30
Tare (burlap and ties, 12 pounds).....	1. 44
Total.....	<u>5. 76</u>

SUMMARY.

Cost under old system.....	16. 32
Cost under new system.....	5. 76
Difference in favor of new system.....	<u>10. 56</u>

The above figures are given to show the advantage of shipping to Liverpool or other English markets. This same will apply to cotton shipped to New Eng-

land, except in the case of New England the tare is 26 pounds instead of 30 pounds per bale, and the small charges, such as quay portorage, stamping policy, and Liverpool dues, are eliminated, but the commission and storage charges in New England are greater, making the average cost about the same. The item of freight from the cotton growing States to New England, upon an average, is about the same as to Liverpool.

The above figures would show an economic saving on the crop of 1911 (16,000,000 bales) of over \$160,000,000.

The tremendous losses from "artificial damp," "country damage," and "waste" in the gin-compressed bale are practically eliminated through—

First. The abolition of the overhead steam tramper used in the old style press.

Second. The prompt storage of gin-compressed cotton in local warehouses, and the abolition of the present system of leaving cotton exposed to the weather at large compress plants and on the streets, on the sidewalks and on railway platforms, waiting for transportation and to be compressed.

Third. The complete covering of the bale by closely woven "burlap" and the abolition of the present system of multitudinous sampling and resampling of the bales.

DARLING LAKE, YARMOUTH COUNTY, NOVA SCOTIA,

July 29, 1913.

Hon. W. C. ADAMSON,

Chairman Committee Interstate and Foreign Commerce,

Washington, D. C.

DEAR SIR: Referring to our conversation and my promise to mail you all different shipping documents used in the conduct of the shipping business, will say that I inclose them herewith, and for convenience and easy reference I will schedule them alphabetically, with explanations:

A. Shipper's guaranty, which must be signed by shipper and his underwriter before any bills of lading are issued to said shipper.

B. Railway cotton receipt, which explains itself. No bills of lading will be issued until the shipper delivers to the steamship agents this receipt, fully made out and duly signed by the agent of the railroad.

C. Foreign freight contracts, specific conditions of which are uniform at all cotton ports, from the Rio Grande to Montreal. Local conditions vary somewhat at different ports.

D. Custody bills of lading and master receipts under the agreement with the Liverpool bill of lading conference (1907) committee. Steamship agents are allowed to issue custody ladings (when cotton has arrived at the port and in their custody) even before arrival of steamer, but with the understanding that the cotton will be put on board the steamer within 21 days after he date of the bill of lading (force majeure accepted). Master's receipt is not signed until after cotton is on board, said receipt claused in accordance with the condition of the cotton when received by the steamer (if clausing is necessary).

E. Port bill of lading. This lading is treated the same as custody lading, except a port bill of lading can not be signed until the steamer is in port, if signed by the agent. A master's receipt is signed by the master after the cotton is on board the steamer. If the lading is signed by the master, then no master's receipt is required.

F. Master's receipt used in connection with through bill of lading. Receipt is not signed until cotton called for under the through bill of lading is on board, or as many bales that have arrived up to the time of steamer's sailing, then master's receipt only calls for the number of bales on board, and is claused in accordance with the conditions of the cotton when received (if clausing is necessary).

G. South Atlantic and Gulf Cotton Inspection Bureau rules, which explain themselves.

H. Charter party. You will note from marginal clause that charterers undertake to comply with the New Orleans cotton conference resolutions, adopted March 3 and 4, 1913. Charterers have also agreed to be bound by the terms and conditions of the Harter Act. (See clause 8 of charter party.) Without these terms being agreed to, owners will not charter. Again, all clauses in bill of lading must agree with charter party, or masters will not sign bills of lading and master's receipts.

You will note from the above explanations that the steamship agents have been and are now doing everything that is possible to protect the cotton business and the betterment of the cotton bale.

Answering your question about sampling the bale at the gin and having sample certified, with penalty for false sampling or substituting samples, will say that, in my opinion, it is a step in the right direction, and it ought to be done under Government supervision, in which case it would save the farmers a mint of money, as there would not be any more city crops or sundry sampling from gin to destination.

I fear, however, this method would not meet with the approval of people dealing in cotton who now make a profit from the present method of handling cotton.

With a uniform bale, sampling at the gin for commercial purposes would solve the tare question. Then there would not be any trouble about having the bale fully covered.

Uniform baling of a box 27 by 54 inches and approximate weight of 500 pounds per bale and sampling at the gin under Government supervision, as above stated, would, in my opinion, solve nearly all of the difficulties that now confront the cotton trade, and before long the cotton business would be handled the same as all other commodities and take more time to move it.

The bale should be better protected from the weather and sold according to supply and demand, instead of rushing it to market as at present. There is no good reason why the cotton crop should move in four or five months, unless the supply and demand warranted moving it, in which case the farmers would get a reasonable price. Under the present method of marketing cotton it is usually out of the farmer's possession before the increased price is obtainable. The farmers grow the crop, and why should they not get a reasonable profit for their produce? The laborer is worthy of his hire.

I'm afraid I will tire you with this lengthy letter, but if I have not explained the matter clearly I will try again.

If I can be of further service, command me, and if you would like to talk with me again when on my way home, I will be more than glad to return via Washington and see you.

Yours, very truly,

A. F. CHURCHILL.

P. S.—Address Anchorage, Darling Lake, Yarmouth County, Nova Scotia.

A. F. C.

A.

SHIPPER'S GUARANTEE.

Season 1912-13.

AUGUST 31, 1912.

To Messrs. A. F. Churchill, agents, and to masters of steamers loaded by Messrs. A. F. Churchill:

In consideration of your signing bills of lading for cotton in Savannah, shipped by Messrs. Farmer, Garbutt & Co. for our account, or for account of others, before it is actually received by the steamer, we agree to waive all claims against the agents, the masters, the ships, and the owners for any liability under such bills of lading for loss or damage by fire and/or storm or exposure to weather occurring prior to the actual receipt of such cotton by the steamer. We also agree to keep the cotton insured until it is actually on board the steamer.

It is, however, mutually agreed that in the event of such loss or damage you will, upon surrender of your bills of lading for such cotton, return to the holder thereof all documents in your possession delivered to you representing the cotton so lost or damaged, or, if not in your possession, assign to the holder of such bills of lading all rights, claims, and causes of action against the actual custodian of the cotton at the time of loss or damage.

This guarantee to remain in force until August 31, 1913, unless sooner revoked by written notice to you; but such revocation shall not affect bills of lading issued prior to the receipt of such notice.

FARMER, GARBUTT & Co.,
By E. N. FARMER.

AUGUST 31, 1912.

We, as assurers of Farmer, Garbutt & Co., hereby authorize them to give the above release.

INSURANCE CO. OF NORTH AMERICA,
BENJAMIN RUSH, *Vice President.*

B.

[A.]

Form 885-A.

SOUTHERN RAILWAY COMPANY COTTON RECEIPT.

DIRECT STEAMSHIPS.

_____, 19__.

The Southern Railway Company hereby acknowledges that it holds in _____ bales of cotton, as described below, for and subject to the order of the master or authorized agent of the S. S. _____, being part of the cargo intended for said steamer, and agrees to transport the same to said steamer only at any wharf in the port of _____, as ordered by said master or agent, free of expenses and charges.

No. of bales.	Marks.	No. of bales.	Marks.

For the Southern Railway Co.:

Issued on application of _____.

_____, *Agent.*

C.

SAVANNAH FOREIGN FREIGHT CONTRACT, CHURCHILL LINE.

Eng. No. _____.

SAVANNAH, GA., _____.

We beg to confirm freight engagement made with you to-day for _____ per steamship _____ (or substitute); expected to arrive _____, from Savannah to _____, at the rate of _____ exchange at \$4.80 per £.

When freight is prepaid, if freight and charges be in American currency, same to be first reduced at \$4.80 per £ sterling, and the sterling amount to be paid by the shippers at the rate of \$4.86 per £ sterling.

Effective on and after September 1, 1913, no dock receipts, mate's receipt, master's or agent's receipt will be issued without describing the actual condition of the bales of cotton when received by the ocean carrier.

The following clauses, descriptive of conditions of bales of cotton, shall be used when such deficiencies exist:

Not thoroughly covered.

Covering insufficient to retain marks.

More or less wet.

More or less stained.

More or less soiled.

When wet bales have been delivered to the steamer, and at the shipper's request permitted to dry out before the receipt is given, the receipt shall contain the clause: "Bales have been wet and dried."

All marks to be thoroughly obliterated except head brand and the mark under which the bale is moving for export, and the latter to be legibly and durably marked.

SPECIFIC CONDITIONS GOVERNING THE ABOVE CONTRACT.

First. The standard bale gin box of 27 by 54 inches is the basis of this freight engagement and cotton and cotton linters must be of a minimum density on delivery to the steamer of 22½ pounds per cubic foot for each bale.

Second. Any bale from gin boxes of dimensions not greater than 27 by 54 inches that does not show density, if not recompressed to required density, shall pay an extra freight of 50 cents per bale.

Third. Any bale from gin boxes of greater length or width than 27 by 54 inches shall pay an extra freight of \$1.00 per bale.

Fourth. This contract is made subject to conditions of act of Congress governing bills of lading approved February 13, 1893, and to terms and conditions of bills of lading in use by ocean carrier.

Freight contracts calling for a specific quantity means that quantity and no discretionary percentage at the option of the shipper will be allowed, unless so stated in the contract.

To be delivered shipside within seven (7) days after notice of readiness for cargo.

Steamer expects to close ————.

On the day of steamer's closing, no bills of lading will be signed until the cotton is alongside.

Should any part of this engagement, for which bills of lading have been signed, be short shipside two days before closing of steamer, shippers bind themselves to replace such shortage shipside within twenty-four (24) hours after receipt of written notice from the ship agents.

Proved damages to be penalty for nonperformance of this contract by either party to this agreement.

Shippers hereby agree not to relet the room, or transfer this contract without consent of the steamship agents.

It is agreed that all differences or disputes which may arise under this contract shall be settled by arbitration, as provided for by the charter, by-laws, and rules of the Savannah Cotton Exchange.

Accepted: ————,

Shippers.

—————,

Agents.

D.

SAVANNAH CUSTODY BILL OF LADING No. ———.

1913.

[Issued under agreement with the Liverpool bill of lading conference (1907) committee.]

Churchill Line from Charleston, Savannah, Brunswick, and Fernandina to U. K., Continent, and other European ports. A. F. Churchill, Main office, Savannah, Ga.

Eng. No. ———.

——— pounds, at ——— per 100 pounds, at \$4.80=£——.

Received from ——— in apparent good order and condition, but it is mutually understood and agreed that the description of the condition of the cotton does not relate to insufficiency of or the torn condition of the covering, nor to any damage resulting therefrom, and that no carrier shall be responsible for any damage of such nature, nor for any damage not caused by its negligence, to be transported by the steamship ——— or other steamer of the line from Savannah bound for the port of ———, with liberty to call at Newport News or Norfolk, Va., for coals, ——— bales of cotton, said by shipper to weigh ——— pounds, under deck, being marked and numbered as per margin (weight, measurement, quantity, quality, contents, and value unknown), and to be delivered from ship's tackle (where carrier's responsibility ceases), in like good order and condition, at the port of ——— (or so near thereto as she may safely get and always lie afloat), unto ———, he or they paying freight in cash, on arrival at port of discharge, in exchange for delivery order, without any allowance of credit or discount. If freight and charges be in American currency, same to be first reduced at \$4.80 per pound sterling, and the sterling amount to be paid by the receivers at current rate of exchange for which bankers' demand bills on London can be bought the day the vessel enters customhouse, notwithstanding all customs and regulations of the port of dis-

charge to the contrary, on the said goods at the rate of ——— net per 100 pounds on actual invoice gross weight and with charges as per margin.

If destination is Bremen, upon arrival in River Weser the river navigation to Bremen city is found impossible by reason of insufficient water or other causes, or if there is no available berth for discharging in said city, then the steamer to have the privilege of discharging at Bremerhaven or Geestemunde, collecting full freight.

1. It is mutually agreed that in the absence of fraud, clerical, or obvious errors this bill of lading, signed by the agent, shall be conclusive evidence against the shipowner of the quantity of cargo received as stated therein.

2. It is mutually agreed that the ship shall have liberty to sail without pilots, to tow and assist vessels in distress, to deviate for the purpose of saving life or property; also to call at any port or ports to land and receive goods or passengers; that the carrier shall have the liberty to convey goods in lighters to and from the ship at the risk of the owners of the goods; and in case the ship shall put into a port of refuge or be prevented from any cause from proceeding in the ordinary course of her voyage, or should the goods or part of them be shut out from said steamship, the owners or agents have the privilege to transship the goods to their destination by any other steamship or steamships at the shipper's risk.

3. It is also mutually agreed that the carrier shall not be liable for loss or damage occasioned by causes beyond his control, by the act of God, by the perils of the sea, rivers, canals, and navigation; by thieves by land or sea; by detention, delay, or loss of any description arising from strikes or lockouts of officers, engineers, seamen, workmen, or laborers; by fire from any cause whatsoever occurring; by barratry of the master or crew; by enemies, pirates, or robbers, or arrest and restraint of princes, rulers, or people; riots, strikes, or stoppage of labor; by explosions, bursting of boilers, breakage of shafts, or any latent defect in hull, machinery, or appurtenances; or unseaworthiness of the ship, even existing at time of shipment or sailing on the voyage, provided the owners have exercised due diligence to make the vessel seaworthy; by collision, stranding, or other accidents of navigation of whatsoever kind; nor for heating, decay, putrefaction, rust, sweat, vermin, change of character, drainage, leakage, breakage, or any loss or damage arising from the nature of the goods or insufficiency of packages, or from stowage or contact with other goods; nor for land damage; nor for incorrect delivery of goods arising from the accidental obliteration, errors, insufficiency or absence of marks, numbers, address, or description; nor for risk of craft, hulk, or transshipment; nor for any loss or damage caused by the prolongation of the voyage; and the owners also not to be responsible even if such loss or damage is caused by or attributed to any act, neglect, error in judgment, or default whatsoever of the pilot, master, mariners, engineers, stevedores, or others in the service of the shipowners. Merchandise on wharf or awaiting shipment or delivery is at shipper's risk of loss or damage by collapse of wharf, fire, and flood not happening through the fault or negligence of the owners, agents, or managers of the vessel. Not accountable for condition of bagging nor for country damage; nor shall the vessel be required to use more dunnage for the protection of the cargo than is customary and is required at the port of Liverpool.

4. If the owner of the ship shall have exercised due diligence to make said ship in all respects seaworthy and properly manned, equipped, and supplied, it is hereby agreed that in case of danger, damage, or disaster resulting from fault or negligence of the pilot, master, or crew in the navigation or management of the ship, or from latent or other defects, or unseaworthiness of the ship, whether existing at time of shipment or at beginning of the voyage, but not discoverable by due diligence, the consignees or owners of the cargo shall not be exempted from liability for contribution in general average or for any special charges incurred, but, with the shipowner, shall contribute in general average, and shall pay such special charges as if such danger, damage, or disaster had not resulted from such fault, negligence, latent or other defect, or unseaworthiness.

5. That the steamer shall be entitled to commence discharging immediately on arrival. The goods shall be taken from the ship's tackle directly on their coming to hand in discharging the ship; otherwise the master or ship's agent shall be at liberty to enter and land the goods, or put them into store, warehouse, or craft, or on quay at the receiver's risk and expense, and shall have a lien on such goods until the payment of all costs and charges so incurred. The ship's responsibility shall cease immediately on the goods being discharged

from the ship's tackle, any custom of the port to the contrary notwithstanding. The collector of the port is hereby authorized to grant a general order for discharge immediately after the entry of the ship. The master portorage of the delivery of the cargo to be done by the consignee of the steamer, and the expense thereof to be paid by the receivers of the cargo. Tonnage and shed dues payable by receivers of cargo. In case any of the goods can not be found during the ship's stay at port of delivery, or if they be miscarried, they may be delivered on return or sent back at ship's expense, the ship not to be responsible for loss or damage arising from delay, sea, or other risk.

6. That in case the ship shall be prevented from reaching her destination by quarantine the carrier may discharge the goods into any depot or lazaretto at the port of destination, and such discharge shall be deemed a final delivery under this contract, and all the expenses thereby incurred on the goods shall be a lien thereon.

7. If navigation to the port of destination be impeded by ice, the carrier may discharge and store the property in warehouses and lighters for forwarding when practicable according to the custom in such cases.

8. That in the event of claims for short delivery when the ship reaches her destination the price shall be the market price at the port of destination on the last day of landing of the cargo less all charges saved.

9. This contract shall be governed by the law of the flag of the vessel carrying the goods, except that general average shall be adjusted according to York-Antwerp rules, 1890; and the shipment described herein is made subject to all the terms and provisions of and all the exemptions from liability contained in the act of Congress of the United States approved on the thirteenth day of February, 1893.

10. As this bill of lading is signed before the cotton can be inspected, steamer, and/or agent to be responsible only for the condition of the cotton as stated in the receipt that will subsequently be signed by the master or authorized agent.

And, finally, in accepting this bill of lading the shipper, owner, and consignee of the goods and the holder of the bill of lading agree to be bound by all of its stipulations, exceptions, and conditions, whether written, printed, or stamped, as fully as if they were all signed by such shipper, owner, consignee, or holder, any local customs or privileges to the contrary notwithstanding.

In witness whereof the agents of said steamship have affirmed two (2) bills of lading, all of this tenor and date, the one of which bills being accomplished and given up to the carrier, the other to stand void.

By authority of the owners:

_____, Agent.

Dated in Savannah, Ga., _____, 191—.

[Original.]

MASTER'S RECEIPT FOR COTTON SIGNED ON CUSTODY BILL OF LADING, VIA
CHURCHILL LINE, SAVANNAH, GA.

Marks:

Received in apparent good order from A. F. Churchill, agent, on board the British steamship called the _____, of which I am master, bound for _____, _____ bales cotton, marked as in the margin, and weighing _____ pounds; said cotton was signed for by A. F. Churchill, agent, and shipped by _____, to order, as per custody bill of lading dated _____, from Savannah, Ga., to _____, with freight payable at _____ per hundred pounds, in cash, without discount, interest, or allowance upon weight specified.

And I hereby bind the said vessel to deliver the said cotton at the port of _____ to the holder of the custody bill of lading, as above described, a copy of which is hereto attached, and upon the payment of the said freight and charges as therein expressed, the vessel being bound and protected by all the conditions and exceptions in the said custody bill of lading.

If destination is Bremen, upon arrival in River Weser the river navigation to Bremen City is found impossible by reason of insufficient water or other causes, or if there is no available berth for discharging in said city, then the steamer to have the privilege of discharging at Bremerhaven or Geestemunde, collecting full freight.

One pound sterling to be considered equal to \$4.80 United States gold currency and exchange to be calculated for British sterling.

It is also mutually agreed that this shipment is subject to all the terms and provisions of and to all the exemptions from liability contained in the act of Congress of the United States relating to navigation, etc., approved on the thirteenth day of February, 1893.

Two receipts are affirmed, all of this tenor and date, the one of which being accomplished, the other to stand void.

Weight and contents unknown.

It is mutually understood and agreed that the description of the condition of the cotton does not relate to insufficiency of or torn condition of the covering nor to any damage resulting therefrom, and that no carrier shall be responsible for any damage of such nature, nor for any damage not caused by its negligence.

(This receipt is not negotiable, and no delivery will be made upon it unless accompanied by the custody bill of lading.)

_____, Master.

E.

[First.]

SAVANNAH PORT BILL OF LADING NO. ____.

[Issued under agreement with the Liverpool bill of lading conference (1907) committee.]

Churchill Line from Charleston, Savannah, Brunswick, and Fernandina to U. K., Continent, and other European ports. A. F. Churchill, main office, Savannah, Ga.

Eng. No. ____

_____ pounds at _____ per 100 pounds, at \$4.80=£____; charges \$____=£____.

Received from _____ in apparent good order and condition, but it is mutually understood and agreed that the description of the condition of the cotton does not relate to insufficiency of or the torn condition of the covering, nor to any damage resulting therefrom, and that no carrier shall be responsible for any damage of such nature, nor for any damage not caused by its negligence, by the steamship _____ now in the port of Savannah, and bound for the port of _____ with liberty to call at Newport News or Norfolk, Va., for coals, _____ bales of cotton, said by shipper to weigh _____ pounds, under deck, being marked and numbered as per margin (weight, measurement, quantity, quality, contents, and value unknown), and to be delivered from ship's tackle (where carrier's responsibility ceases), in like good order and condition, at the port of _____ (or so near thereto as she may safely get and always lie afloat), unto _____, he or they paying freight in cash, on arrival at port of discharge, in exchange for delivery order, without any allowance of credit or discount. If freight and charges be in American currency, same to be first reduced at \$4.80 per £ sterling, and the sterling amount to be paid by the receivers at current rate of exchange for which bankers' demand bills on London can be bought the day the vessel enters customhouse, notwithstanding all customs and regulations of the port of discharge to the contrary, on the said goods at the rate of _____ net per 100 pounds, on actual invoice gross weight, and with charges as per margin.

If destination is Bremen, upon arrival in River Weser the river navigation to Bremen City is found impossible by reason of insufficient water or other causes, or if there is no available berth for discharging in said city, then the steamer to have the privilege of discharging at Bremerhaven or Geestemunde, collecting full freight.

1. It is mutually agreed that in the absence of fraud, clerical or obvious errors, this bill of lading, signed by the master or agent, shall be conclusive evidence against the shipowner of the quantity of cargo received as stated therein.

2. It is mutually agreed that the ship shall have liberty to sail without pilots, to tow and assist vessels in distress, to deviate for the purpose of saving life or property; also to call at any port or ports to land and receive goods or passengers; that the carrier shall have the liberty to convey goods in lighters to and from the ship at the risk of the owners of the goods; and in

case the ship shall put into a port of refuge, or be prevented from any cause from proceeding in the ordinary course of her voyage, or should the goods or part of them be shut out from said steamship, the owners or agents have the privilege to transship the goods to their destination by any other steamship or steamships at the shipper's risk.

3. It is also mutually agreed that the carrier shall not be liable for loss or damage occasioned by causes beyond his control; by the act of God; by the perils of the sea, rivers, canals, and navigations; by thieves by land or sea; by detention, delay, or loss of any description arising from strikes or lockouts of officers, engineers, seamen, workmen, or laborers; by fire from any cause, wheresoever occurring; by barratry of the master or crew; by enemies, pirates, or robbers, or arrest and restraint of princes, rulers, or people; riots, strikes, or stoppage of labor; by explosions, bursting of boilers, breakage of shafts, or any latent defect in hull, machinery, or appurtenances; or unseaworthiness of the ship, even existing at time of shipment or sailing on the voyage, provided the owners have exercised due diligence to make the vessel seaworthy; by collision, stranding, or other accidents of navigation of whatsoever kind; nor for heating, decay, putrification, rust, sweat, vermin, change of character, drainage, leakage, breakage, or any loss or damage arising from the nature of the goods or insufficiency of packages or from stowage or contact with other goods; nor for land damage; nor for incorrect delivery of goods arising from the accidental obliteration, errors, insufficiency or absence of marks, numbers, address, or description; nor for risk of craft, hulk, or transshipment; nor for any loss or damage caused by the prolongation of the voyage; and the owners also not to be responsible even if such loss or damage is caused by or attributed to any act, neglect, error in judgment, or default, whatsoever, of the pilot, master, mariners, engineers stevedores, or others in the service of the shipowner. Merchandise on wharf or awaiting shipment or delivery is at shipper's risk of loss or damage by collapse of wharf, fire, and flood not happening through the fault or negligence of the owners, agents, or managers of the vessel. Not accountable for condition of bagging, nor for country damage; nor shall the vessel be required to use more dunnage for the protection of the cargo than is customary and is required at the port of Liverpool.

4. If the owner of the ship shall have exercised due diligence to make said ship in all respects seaworthy, and properly manned, equipped, and supplied, it is hereby agreed that in case of danger, damage, or disaster resulting from fault or negligence of the pilot, master, or crew, in the navigation or management of the ship, or from latent or other defects, or unseaworthiness of the ship, whether existing at time of shipment, or at beginning of the voyage, but not discoverable by due diligence, the consignees or owners of the cargo shall not be exempted from liability for contribution in general average, or for any special charges incurred, but, with the shipowner, shall contribute in general average, and shall pay such special charges as if such danger, damage, or disaster had not resulted from such fault, negligence, latent or other defect, or unseaworthiness.

5. That the steamer shall be entitled to commence discharging immediately on arrival. The goods shall be taken from the ship's tackle directly on their coming to hand in discharging the ship; otherwise the master or ship's agent shall be at liberty to enter and land the goods, or put them into store, warehouse, or craft, or on quay, at the receiver's risk and expense, and shall have a lien on such goods until the payment of all costs and charges so incurred. The ship's responsibility shall cease immediately on the goods being discharged from the ship's tackle, any custom of the port to the contrary notwithstanding. The collector of the port is hereby authorized to grant a general order for discharge immediately after the entry of the ship. The master portorage of the delivery of the cargo to be done by the consignee of the steamer, and the expense thereof to be paid by the receivers of the cargo. Tonnage and shed dues payable by receivers of cargo. In case any of the goods can not be found during the ship's stay at port of delivery, or if they be miscarried, they may be delivered on return, or sent back at ship's expense; the ship not to be responsible for loss or damage arising from delay, sea, or other risk.

6. That in case the ship shall be prevented from reaching her destination by quarantine, the carrier may discharge the goods into any depot or lazaretto at the port of destination, and such discharge shall be deemed a final delivery under this contract, and all the expenses thereby incurred on the goods shall be a lien thereon.

7. If navigation to the port of destination be impeded by ice, the carrier may discharge and store the property in warehouses and lighters for forwarding when practicable, according to the custom in such cases.

8. That in the event of claims for short delivery when the ship reaches her destination, the price shall be the market price at the port of destination on the last day of landing of the cargo, less all charges saved.

9. This contract shall be governed by the law of the flag of the vessel carrying the goods, except that general average shall be adjusted according to York-Antwerp rules, 1890; and the shipment described herein is made subject to all the terms and provisions of, and all the exemptions from liability contained in, the act of Congress of the United States, approved on the thirteenth day of February, 1893. In accepting this bill of lading, the shipper, owner, and consignee of the goods, and the holder of the bill of lading, agree to be bound by all its stipulations, exceptions, and conditions, whether written or printed, as fully as if they were all signed by such shipper, owner, consignee, or holder, any rule, custom, or regulation of the port of discharge to the contrary notwithstanding.

In witness whereof the master or agent of said ship hath affirmed two bills of lading, all of this tenor and date, the one of which bills being accomplished, and given up to the carrier, the other to stand void.

By authority of the owners.

Dated in Savannah, Ga., ———, 191—.

F.

[Original.]

MASTER'S RECEIPT FOR COTTON SIGNED ON THROUGH BILL OF LADING, VIA
CHURCHILL LINE, SAVANNAH, GA.

Marks:

Received from the ———, in apparent good order and condition, ——— (but it is mutually understood and agreed that the description of the condition of the cotton does not relate to insufficiency of or torn condition of the covering nor to any damage resulting therefrom, and that no carrier shall be responsible for any damage of such nature nor for any damage not caused by its negligence), on board the steamship called the ———, of which I am master, bound for ———, ——— bales cotton, marked as in the margin, and weighing ——— pounds; said cotton was signed for by ———, railroad agent at ———, and shipped by ———, consigned to order, as per through bill of lading No. ———, dated ———, from ——— to ———, with freight payable at ——— per hundred pounds, in cash, without discount, interest, or allowance upon invoice gross weight. And I hereby bind the said vessel to deliver the said cotton to the port of ———, to the holder of the through bill of lading as above described, a copy of which is hereto attached, upon the payment of the said freight and charges as therein expressed. The vessel being bound and protected by all the conditions and exceptions in said through bill of lading.

If destination is Bremen, upon arrival in River Weser the river navigation to Bremen city is found impossible by reason of insufficient water or other causes, or if there is no available berth for discharging in said city, then the steamer to have the privilege of discharging at Bremerhaven or Geestemunde, collecting full freight.

One pound sterling to be considered equal to \$4.80 United States gold currency, and exchange to be calculated for British sterling.

It is also mutually agreed that this shipment is subject to all the terms and provisions of and to all the exemptions from liability contained in the act of Congress of the United States relating to navigation, etc., approved on the 13th day of February, 1893.

Two receipts are affirmed, all of this tenor and date, the one of which being accomplished, the other to stand void.

This receipt is not negotiable, and no delivery will be made upon it unless accompanied by through bills of lading.

Weight and contents unknown.

Master

G.

SAVANNAH MARITIME ASSOCIATION (INC.), SAVANNAH, GA., INSPECTION BUREAU.

General instructions to the inspectors for the proper inspection of goods to be delivered to members' vessels. In effect September 1, 1913. E. A. Armand, manager.

[The Savannah Maritime Association, Savannah, Ga. Incorporated, 1911. Officers: Geo. P. Walker, president; Henry Nanninga, vice president; E. A. Armand, secretary and treasurer, manager inspection bureau. Committees: Executive committee, W. W. Williamson, chairman; Geo. P. Walker, Devereux Bacon. Arbitration committee, A. F. Churchill, chairman; E. S. Trosdal, Geo. F. Armstrong. Membership: A. F. Churchill (Churchill Line), Strachan & Co., Williamson & Bauers, South Atlantic Steamship Line, Southern Shipping Co., Henry Nanninga Co. (Gans Line), Sam Ross (representing Smith & Kelly Co. and the Savannah Lighterage & Transfer Co.)]

THE SOUTH ATLANTIC AND GULF COTTON INSPECTION BUREAU—GENERAL INSTRUCTIONS TO THE INSPECTORS FOR THE PROPER INSPECTION OF GOODS DELIVERED TO MEMBERS' VESSELS—IN EFFECT SEPTEMBER 1, 1913.

Effective September 1, 1913, the inspection of cotton, cotton linters, cotton sweepings, cotton pickings, and cotton waste will be governed by the rules and regulations of the "South Atlantic and Gulf Cotton Inspection Bureau."

INSPECTION.

Following rules to govern:

The standard density for compressed cotton shall be a minimum of 22½ pounds per cubic foot each bale.

Inspectors shall strictly adhere to the following rule: Measurements shall be taken on the bands for width and thickness, and from end to end of the bale for length. Measurement to be made at lighter berth or wharf at which the vessel loads.

When the report of the inspector is disputed, same shall be referred to an arbitration; the party found at fault shall pay cost of the reinspection and any loss by delay to the vessel caused thereby.

The original rules and regulations have been corrected and amended to conform to the resolutions adopted at the New Orleans conference, March 3, 4, and 5, 1913, so that the rules and regulations with the amendments now read as follows:

BANDS.

No bale to be received with less than eight (8) bands; bands to be well distributed on the bale; no bands to be allowed so near the end of the bale as to be insecure; hand bands must under no conditions be allowed placed upon the ends of the bale; such bands must be put on at the press.

The ends of the bands must be clipped close to the bale so that no long ends will protrude from the bale, thereby causing damage to other bales by contact or to the laborer handling the bale.

MARKS.

Bales to be well marked or branded, so that the mark can be read without any question of a doubt; bales to be marked with a good quality of ink that will not fade, wash, or rub away: marks to be placed between the bands, so that no part of the mark will be covered by the bands; no other mark to be allowed upon the bale except the head brand (if any) and the mark under which the bale is moving for export. All other marks to be thoroughly obliterated so that no part of any old mark will appear, except upon round bales the gin mark will be allowed to remain, as this mark is very essential to the shipper, and will in no way affect the mark under which the bale is being exported. When the quality of bagging is insufficient to carry the marks plainly to destination, a patch of good bagging or cloth, bearing the mark, shall be put on the bale under the bands. This shall be considered durably and legibly marked.

(The above rule regarding marks will at all times be strictly adhered to, and no one has the authority to pass any cotton condemned for this reason.)

NOTE.—It has been agreed by the members of the Savannah Maritime Association that “bales with patches or covering containing sugar or vegetable marks need not be rejected for such marks, provided all cotton marks are obliterated except the one under which the bale is moving and the head band (if any).”

COVERING.

Under the resolutions adopted at New Orleans the bale will have to be completely covered, so that no part of the contents will be exposed.

Should the bale be covered with fish-net bagging or with torn or rotten bagging, then the exception “not thoroughly covered” must be used. Should the heads be open, the sample holes open, sidepieces or other parts of bagging missing, same must be noted and reported as follows: “Not thoroughly covered,” “Sample holes open,” “Heads open,” “Sidepieces missing,” “Fish-net bagging,” “Bagging rotten,” or other wording which will properly describe the condition of the covering.

DENSITY.

Under the resolutions adopted at New Orleans bales must be of a standard size of 27 by 54 inches, and must have a density of not less than 22½ pounds per cubic foot for each bale; any bale of the standard size that does not contain this density must be condemned.

Great care will have to be used in examining standard-sized bales to ascertain the density. The shipper or railroad will be allowed to have standard-size bales recompressed to the required density, if so desired, when it can be done without delay to steamer.

Any bale of greater length or width than 27 by 54 inches will be condemned regardless of its density. It is not necessary to weigh such a bale to ascertain the density, the only requirement being to show that the bale is of greater length than 54 inches or that it is wider or thicker than 27 inches.

Should there be any doubt as to the proper density of any bale (except as to bales larger than the standard), such a bale will be condemned, and said bale must be weighed and measured to ascertain the density.

In weighing and measuring bales for density the inspectors must use the scales and calipers provided for that purpose and must figure the density as shown in the cotton-density calculator furnished to the head inspectors. In measuring the bale the following rule must be strictly adhered to: For the width and thickness measure over the fourth band from either end of the bale. If these bands are missing, bale must be sent to the compress for rebanding. For length measure from end to end of the bale; if the bale does not show a density of 22½ pounds per cubic foot, then such a bale must be condemned as above.

COUNTRY DAMAGE.

Any bale that shows any external damage from water, mud, bad bagging, or other causes must be condemned and its condition noted and reported.

OILY OR GREASY BAGGING.

Any bale that has the appearance of having come in contact with oil or grease must be condemned and its condition noted and reported.

LIGHTER INSPECTION.

Under the “Rules and regulations” of the South Atlantic and Gulf Cotton Inspection Bureau inspection will have to be made as the cotton is loaded upon the lighter, so that a correct account may be made of same and its condition noted and reported. Should any bale be damaged while loading upon the lighter, condition must be noted and railway, press, or lighterage company given the privilege of taking the bale from lighter, if necessary, and reconditioning; otherwise its condition must be noted upon the lighter ticket and report made of same.

(This rule applies only to ports that lighter cotton.)

SHIP SIDE, SHORE DELIVERY INSPECTION.

Cotton delivered to steamships loading at wharf or railway terminals from cars or trucks must be inspected at car door or delivery upon wharf and its condition noted and reported.

(It has been agreed by the members of the Savannah Maritime Association that cotton delivered to steamships loading at their loading berths will not be inspected until the cotton is being delivered to the vessels. The inspectors, therefore, will be guided in their inspection by the wharf force of the steamship agent.)

CONDEMNED COTTON.

When cotton is condemned for any of the foregoing reasons, a record must be kept of same (by the inspector making the condemnation) in a book provided for that purpose. The inspector must report at once by telephone to the steamship agent and the shipper the conditions of the cotton so condemned, and said cotton must be held until the steamship agent has instructed the inspector how to act, or until said cotton has been reconditioned. If the shipper is not located in the city, then report to the steamship agent only. If cotton is moving upon a railway through bill of lading, then a report must also be made to the delivering railway.

The shipper, railway, or press will be given the privilege of reconditioning cotton provided same is done without any delay or expense to the steamship. The steamship agent will have the authority to pass any cotton condemned (except for marks as outlined in the marking rule), and when such authority is given it must be noted upon lighter ticket or mate's receipt, and a report must be made to the steamship agent on a form provided for that purpose, a copy of which must be filed in the inspection bureau office. If after cotton is condemned it is put into the proper condition, no report is necessary, but a record should be kept of same in a book furnished the inspectors.

Each head inspector will be furnished with a list of the representatives of each of the steamship agents who will be authorized to pass any cotton condemned, and the inspectors will under no circumstances accept instructions from any one who has not this authority.

LIGHTER TICKETS.

When cotton is being loaded upon the lighters a record must be kept of the marks and the number of the bales, and when loading is completed lighter tickets must be signed by the inspectors as follows:

Inspected ——— (fill in the number) bales, marks correct.

Also note condition of cotton if any condemned cotton has been passed. The number of bales must be verified by the inspector by actual count.

No lighter will be received by the steamship agent unless the tickets show that same has been inspected, and this must be attended to at once so as to avoid delay in delivery. The inspectors may, however, sign a memorandum ticket showing the marks and number of bales and that the lighter tickets are to follow; but in all cases lighter tickets must be signed by inspector with the exceptions noted, if any. Should at any time a lighter be moved without tickets, or on a memorandum ticket, the inspector must at once notify the steamship agent by telephone so that the lighter may be held at ship side until tickets are in the hands of the steamship agents' representative.

(This rule applies only to ports that lighter cotton.)

NOTE.—The inspectors in checking the marks and the number of bales must tally same as each bale is trucked to or delivered upon lighter, so that when the lighter ticket is presented for inspector's signature the inspector can verify same as to marks and the number of bales of each mark; this to be later followed by an actual count of the number of bales upon the lighter.

HEAD INSPECTORS.

The head inspector at each of the terminals and (or) wharves will have absolute charge of the inspection and the inspectors at his particular terminal or wharf, will arrange the hours and location, and will issue such instructions to his force as are necessary for the proper inspection. All cotton condemned for lack of density must be referred to the head inspector who will see that

said cotton is properly weighed and measured, and he must report same immediately to the shipper or railway, press and steamship agent by telephone. The head inspector will be furnished with all the forms necessary for the proper conduct of the business and a record of all reports must be kept, as he will be held responsible for the proper inspection at his terminal or wharf. When required to do so, he must furnish to the steamship agent a report from his records showing the condition of condemned cotton or cotton that has been ordered passed, a copy of which must be furnished to the inspection bureau office.

When reinspection of cotton for lack of density is made, he must keep an account of time consumed and the number of men engaged, so that the party at fault may be correctly billed for the extra expense incurred.

NOTE.—When the head inspector leaves for any reason during working hours, or when the work of inspection is continued into or during the night, he must notify one of his assistants to take charge as acting head inspector, and such acting head inspector will be held responsible for the proper conduct of the business during the absence from the terminal of the head inspector.

The head inspector will also furnish to each ship agent, upon request, as many copies of reports as are designated by the ship agent, said reports to be left at the office of the ship agent as soon as possible after condemnations are made.

REPORT BLANKS AND OTHER FORMS OF REPORTS.

The inspector will be furnished with books, blanks, and tags for the proper conduct of the business; the books are for a record of all work done, and when filled must be filed in the inspection bureau office; the blanks are for reporting all condemned cotton which has been passed without being reconditioned and for reporting the density of bales which are found to be below the required density of 22½ pounds per cubic foot per bale, as well as for reporting bales larger than the standard of 27 by 54 inches.

All reports must be made in duplicate, one furnished to the steamship agent (or more if required) and the other filed in the inspection bureau office. Reports must be furnished to the steamship agent promptly on the same day that cotton is condemned and passed, so that the steamship agent may have a record of same.

Tags are for the purpose of showing why a bale has been condemned, and a tag must be placed upon each condemned bale, so that the shipper, railway, or press may know at once why bale was condemned and just what is necessary to place the bale in proper condition. Care should be exercised in filling out the tags correctly, and each tag must have the signature of the inspector making the condemnation.

SPECIAL.

The inspectors must understand that the work of inspection is a very important matter and the greatest care must be given to the inspection at all times. Should at any time any question arise that is not thoroughly understood by the inspectors they should communicate with the inspection bureau office (or with the head inspector) either by telephone (No. 481), or in person, and any information will be cheerfully given.

Very truly,

E. A. ARMAND,

Manager Inspection Bureau of the Savannah Maritime Association.

H.

[New form O. Steam. 2/4/13. 4267. A. F. Churchill, Savannah, Ga. Cable address Peerless, Savannah. Agents: Charles E. DeWolf & Co., Tower Buildings, Liverpool, and 52 Lime Street, London, E. C.]

SAVANNAH CHARTER PARTY.

LUMP SUM.

It is this day mutually agreed between ————, owners of the good steamship or vessel called ————, classed 100 A1, British Lloyd's, of

the measurement of ——— tons register, guaranteed to carry ——— tons of cargo exclusive of bunker coals, now ——— and A. F. Churchill, of Savannah, Ga., charterer, that the said steamer shall, with all possible speed without intermediate call sail and proceed under steam direct to Tybee Roads for orders to load at Jacksonville, Fernandina, Brunswick, Savannah, or Charleston, ———, or so near thereunto as she may safely get, and there having discharged her cargo, if any, and being then in every respect tight, staunch, and strong, and provided with sufficient water ballast to enable her to carry a full cargo of cotton, and in every way fitted for the voyage, shall load from the said charterers or their agents at such wharf or dock as they may direct, and if afterwards required by them to shift from one terminal to another at either port more than once they to pay the ordinary expenses of towing, a full and complete cargo of lawful merchandise, including deck load, at shipper's risk, not exceeding what she can reasonably stow and carry, over and above her coal, machinery, tackle, apparel, provisions, and furniture, and being so loaded shall therewith proceed direct under steam all the way to Liverpool, Manchester, Havre, or Bremen, ———, one or two ports, as may be ordered on signing bills of lading, and having arrived at the port or ports of discharge as ordered, or so near thereto as she may safely get, shall there deliver the same in such docks or alongside such wharves as the charterers may appoint, and where she can lie safely afloat, agreeable to bills of lading on being paid freight, in full of all charges and pilotages, at and after the rate of—

- per net register ton if to Liverpool or Manchester.
- per net register ton if to Liverpool and Manchester.
- per net register ton if to Havre.
- per net register ton if to Bremen.
- per net register ton if to ———.
- per net register ton if to ———.
- per net register ton if to ———.

1. The freight to be paid on unloading and right delivery of the cargo in cash without discount if discharged at a port in the United Kingdom, and in cash at the current rate of exchange for bills on London, short sight if on the Continent. If bills of lading are made out in American money, \$4.80 to be taken as equal to £1.

2. Charterers are to pay for loading cargo and compressing cotton at loading port, but no other charges, and the stevedore to be appointed by them, who is to load the steamer under captain's directions. Charterers are not to be held responsible for improper stowage. Owners to be responsible for all cargo after it is delivered alongside and signed for by mate or other person authorized to receive same.

3. Such goods only as the charterers or their agents may direct shall be received on board any part of the said steamer. The captain shall sign bills of lading as and when presented in accordance with the rules of the Liverpool bill of lading conference (1907) committee as customary without prejudice to this charter party, but any difference between the amount of freight as per bills of lading and this charter party to be settled at port of loading before sailing; if in favor of vessel by cash at current rate of exchange, less insurance; if in favor of charterers by draft of the captain, payable three days after arrival at port of discharge to order of the charterers or advancers; and the agents, with the consent of the owners, do hereby authorize the captain to sign such draft and said draft shall be a lien against the vessel and freight, taking precedence of all other claims. Charterers to have the option of prepaying the whole or any portion of freight, less 2½ per cent commission to cover interest and insurance. If any portion of such prepayment be applied to the disbursing of the steamer at loading ports no disbursing commission to be charged on such amount, and such prepayment to be credited at the exchange of \$4.86 per £ sterling. The steamer shall be consigned to the charterers' agents at the port of loading and be entered and cleared by them at the customhouse, paying the usual attendance fee, and a loading commission of 3½ per cent on amount of freight and demurrage earned under this charter. Should the steamer not arrive at her loading port, be entered at the customhouse, and be in all respects ready to load under this charter on or before the ——— day of ———, 191—, the charterers have the option of cancelling the same, to be declared when vessel is ready to load. Charterers to have the option of loading at any two of the above ports, they paying all extra port charges incurred at second port; and time used in shifting ports other than Sundays and holidays to count as lay days except as provided in clause 8. Should steamer be detained at Tybee roads waiting orders, lay

days to count as per charter. If steamer is bound to a U. S. port with cargo, orders for first loading port to be given before sailing from last port of discharge. If steamer is bound to ——— in ballast, orders for first loading port to be given to owners on or before the day on which she is due. If vessel is detained at ——— awaiting orders, lay days to count as per charter party.

4. All ordinary disbursements at port of loading to be paid by the charterers, who are to be reimbursed for the amount thereof, with 2½ per cent commission thereon and cost of insurance added at the current rate of exchange by the master giving the usual draft, payable three days after arrival at port of discharge, to the order of the charterers or any other parties advancing the said money; and the agents, with the consent of the owners, do hereby authorize the captain to sign such draft, and said disbursements and said draft shall be a lien against the vessel and freight, taking precedence of all other claims except the one for difference in freight.

5. When the steamer's holds have been clean swept and she is ready in all respects to receive cargo one clear day's notice thereof exclusive of Sundays and holidays to be given charterers or their agents; and time for loading to commence on the expiration thereof, such notice only to be given between the hours of nine a. m. and six p. m. on any day except a Sunday or holiday, but not before ——— unless with charterers' consent.

——— working days (Sundays, holidays, and bad-weather days excepted) shall be allowed the charterers for loading, and the steamer to be discharged with all possible dispatch, according to the custom of the port of discharge. The customs and usages at the ports of loading and discharging to be observed, unless otherwise expressed.

In case the steamer is longer detained by the charterers or their agents demurrage shall be paid by them at the rate of fourpence per net register ton per day for every running day so detained, and it and dead freight (if any) shall in all cases be settled with the captain before the steamer leaves the port of loading, and no claim shall be valid if made after that time. And if the steamer be loaded in less time than is specified then the charterers are to be allowed two-pence per ton net register dispatch money for every running day saved. For the purpose of demurrage or time saved in loading part days to be paid in proportion.

6. The cargo or cargoes shall be received and delivered alongside the vessel within the reach of her tackles, or according to the customs and usages of the ports of loading and discharge. If vessel is ordered to the Mersey charterers have the right to order her to discharge at two docks in Liverpool, or one dock in Liverpool and one dock in Garston; or two berths in the Manchester Ship Canal, or one berth in the Manchester Ship Canal and one dock in Garston. If the Garston option is used charterers to pay cost of shifting vessel and the Garston Dock dues.

Steamer to furnish cargo gear required, tackle, winch drivers, and steam winches with sufficient steam to drive them full speed simultaneously in loading cargo, and to trim or discharge her ballast as charterers may wish at her expense, and to work day and night if required, but extra expense incurred through night work to be borne by charterers. Charterers to have the right to begin loading as soon as steamer is in loading berth and to load on Sundays and holidays, such time not to count as lay days.

7. The owners guarantee first-class insurance and vessel to have a capacity according to builders' plans of not less than ——— cubic feet grain space, approachable by hatchway not less than three feet square, which owners undertake shall be placed at charterers disposal. Should the builders' plan or displacement scale be disputed, the steamer to be remeasured at port of discharge or on her first return to the United Kingdom, by approved surveyors. The cost of measuring to be paid by the charterers should the accuracy of the builders' plans be established, otherwise by the owner.

Owners shall at once furnish charterers a builder's plan showing each and every compartment or space in vessel, with cubic capacity of each.

8. The act of God, the King's enemies, loss or damage from fire on board, in hulk or craft, or on shore, arrest epidemics, strike or lockout or stevedore's men, draymen, or press hands, stoppage or destruction of goods on any railway or at press, and all unavoidable accidents or hindrances in procuring, preparing for shipment, loading and/or discharging the cargo, and/or restraint

of princes, rulers, and people, collision, and all and every the dangers and accidents of the seas, canals, and rivers, and of navigation of whatever nature or kind always mutually excepted. The vessel to have liberty to sail without pilots, and to tow and assist vessels in distress, and to deviate for the purpose of saving life and property; and after loading to coal at any port on the western side of the Atlantic, but not north of Newport News. Average (if any) in accordance with York-Antwerp rules, 1890. It is mutually agreed that this contract is subject to all the terms and provisions of, and all the exemptions from liability contained in the act of Congress of the United States, approved on the 13th day of February, 1893. Neither charterers nor stevedores shall be responsible for any damages occurring while loading cargo by reason of any defect in vessel's machinery or tackle, or by reason of any act or neglect on the part of vessel's officers or crew or on the part of any men engaged in the loading of vessel, but the stevedore to be under captain's directions.

In case steamer is in general average at port of loading the agency shall remain with the charterers (or their agents), but the custody commission to be waived.

9. Should the steamer be ordered to a port in the Baltic to discharge, and the port be found on arrival closed by ice she is to discharge at the nearest accessible port on the south side of the Baltic.

10. If any portion of the underdeck cargo is lost by reason of excepted perils a proportionate reduction of freight in respect of the part lost shall be made from the amount of chartered freight.

11. The shipowners shall have a lien on the cargo for all freight, detention, demurrage, and dead freight if any, but upon shipment of the cargo and acceptance by the master, and on settlement of dead freight if any, or of any freight not represented by bills of lading, and of demurrage if any, at port of loading, charterers shall be deemed to have fulfilled this charter party, and shall be under no liability thereafter, under any provisions hereof, for any matters past or future, or for any loss, damage, or other claim of breach of charter party.

12. The entire carrying capacity of the vessel, including all spaces where steamer may have previously carried cargo, shall be placed at the disposal of the charterers, and where steamer has cross bunkers, bridge-deck bunker, bridge-deck alleyways, midship tank, poop, lazarette, spare deck houses, peaks, and/or other covered spaces on deck, owners guarantee same as part of the carrying capacity of the vessel. All wooden bulkheads, shifting boards, and/or other removable obstructions in holds to be taken down and carried on deck. Owners guarantee not to occupy more space below for coals than occupied on any voyage with cotton from an Atlantic port in the United States to Europe when steamer was loaded for their benefit. If steamer is ordered to a port in the Baltic or Mediterranean, sufficient coal space only to be retained to bring her to a port in the United Kingdom or Gibraltar.

13. All freight payable under this charter on through bills of lading from interior points, and on freight beyond the destination of steamer and on the usual ship's bill of lading, shall (subject to the vessel's lien thereon for chartered freight and the lien of the drafts of the master and the right of the holders thereof for difference in freight and disbursements as above provided) belong exclusively to the charterers, and shall be collected by their agents at port or ports of discharge, it being hereby agreed that the vessel shall be consigned to the said agents, who shall receive the usual commission of one-half of one per cent on the amount of chartered freight if discharged at a port on the Continent, or a fee of £10 10s. if discharged at one port, or £7 7s. each if discharged at two ports in U. K. for attending to the vessel's inward business. Charterers have the right of nominating a stevedore for discharging the cargo at port or ports of discharge, but the stevedore to be employed and paid by owners at not exceeding current rate.

14. If, however, the consignment at the port of discharge is placed in other hands without the consent of the charterers or their agents, there shall be paid as liquidated damages to the charterers' agents a commission of 2½ per cent beyond the above on the full amount of freight, together with the amount of the captain's bills for any difference in freight and disbursements at port of loading, which amounts shall be paid in cash to said charterers' agents on the day that the said vessel goes into dock.

15. All cargo on board under this charter, in excess of aggregate bills of lading quantity, shall belong to the charterers, and be delivered to their agents at the port of discharge without any claim by the ship.

16. The captain will report at the office of the charterers or their agents at port of loading at least twice daily at times designated by them for signing bills of lading and other purposes.

17. In regard to cargo shipped on through bills of lading from interior points, and for which no ship's bill of lading, but only a "master's receipt" is taken, it is agreed and understood that the cargo described on the "master's receipt" shall be delivered at the port of discharge upon presentation of the said through bill of lading, provided that the particulars agree with those stated on the duplicate "master's receipt" held by the captain.

18. If any dispute arises between the owners and the charterers, the matter in dispute shall be referred to the arbitration of two indifferent persons (ship agents and/or merchants and/or shipmasters) at the port of loading, one to be appointed by each party, or an umpire to be appointed by the arbitrators, in writing, and the award or determination of the said arbitrators or umpire shall be final and binding upon the said parties hereto respectively. And this shall be deemed to be a submission to arbitration within the arbitration act 1889, or any statutory modification or reenactment thereof for the time being in force, the provisions whereof shall apply as far as applicable. When either Jacksonville or Fernandina is first loading port, arbitration shall be held at last loading port.

19. Captain or owners to telegraph charterers sailing of the steamer from last port of departure, at least ten days' notice of expected readiness to be given, and steamer shall not be deemed ready for cargo under this charter until the expiration of said ten days.

20. Owners to pay charterers 2s. 0d. per net register ton, in consideration of which charterers agree to pay port charges at loading port on outward cargo, viz.: Tonnage dues, custom-house fees, levee dues, quarantine fees, and cost of fumigating, wharfage, watching, and outward pilotage.

21. Penalty for nonperformance of this agreement proved damages.

A commission of 5 per cent on all freight, dead freight and demurrage, is due on completion of the loading to Charles E. De Wolf & Co.

Signed by the said _____.	_____.
In the presence of _____.	_____.
Signed by the said _____.	_____.
In the presence of _____.	_____.

It is hereby declared that the freight as per bills of lading if it exceeds the freight under this charter party shall be and remain the property of the charterers, their agents and assigns, to the extent of the difference between the two freights, and to that extent the freight under the bills of lading shall be held and collected in trust for the charterers, their agents and assigns; and it is accordingly agreed that upon discharge the freight received shall be applied in the first place and in priority to all other claims in paying the drafts given by the captain for the above-mentioned difference in freight, the holders of such drafts being deemed to be the assignees of the rights and interests of the charterers and their agents for this purpose. The drafts so given shall be subject to all risks incidental to freight, including general average and salvage charges, and a draft entitled to the benefit of this clause shall be fully insured against such risks under the usual policy or certificate of insurance from the time of signing press or mate's receipt, at charterers' risk and expense, and the policy or certificate of insurance shall be attached to the draft and given up on payment of same.

Owner, or owners, of steamer authorize charterers, or their agents, to sign bills of lading and/or receipts on their behalf for cargo to be shipped by this steamer, prior to and/or subsequent to her arrival at port or ports of loading, charterers undertaking not to sign bills of lading until the cargo is actually in their custody at the port of shipment; and they further undertake to be responsible for right and true delivery to the ship of all cargo signed for by them, or their agents, and to hold owners free from all claims of any description that may arise in the event of any cargo signed for by them, or their agent, being shut out, or in the event of anything happening to steamer preventing her entering upon this charter; and charterers further undertake to comply with the New Orleans cotton conference resolutions adopted at the meeting held in New Orleans March 3 and 4, 1913, and to clause receipts and/or bills of lading accordingly.

A true copy of the original charter-party in our possession.

NOTICE.

Farmers, ginnerers, and merchants, do you want to make a dollar? A dollar saved is a dollar made.

The ocean carriers have insisted that on and after September 1, 1913, they will not transport cotton bales put up in gin boxes larger than 27 inches wide by 54 inches long, except for an additional fee of \$1 per bale.

Farmers, see that the gin in your neighborhood is a standard one, with the box measuring 27 inches by 54 inches, and save that dollar that the buyer will have to deduct from the value of your bale.

Ginnerers, if your gin boxes are not standard boxes, see that you have them made so. It will cost you about \$5 to make the change, but it will save you and your customers hundreds of dollars.

This matter is of grave importance, as buyers of cotton will be forced to deduct that dollar a bale for cotton bales of larger size than the standard, in order to protect themselves against the charge that will be enforced by the railroads and steamship companies.

Merchants, you must protect yourselves. See that all cotton you buy has been ginned in a standard box. The cotton buyer wishes you to protect yourself, as he will be forced to collect that dollar from you if your cotton is not of standard size.

Farmers, ginnerers, merchants, see that your cotton is properly housed. Don't roll it in the mud. Keep it out of the weather. Cotton is worth money. Don't leave your money in the mud.

A stitch in time saves nine.

If you want further information, write us. We wish to give you all the assistance we can.

TUPELO COTTON EXCHANGE.

READ CAREFULLY AND ACT QUICKLY.

[Effective Sept. 1, 1913.]

To farmers, ginnerers, cottonseed-oil mills, cotton exporters, and cotton compresses:

Owing to the large and, it is alleged, unjust claims which have been made against the steamship and railroad lines for damages to cotton, we would call your attention to the following resolutions, which were adopted at a meeting of the steamship and all railroad lines east of the Mississippi and south of the Ohio and Potomac Rivers, held on the 18th instant, relative to the condition in which bales of cotton must be placed before a clean bill of lading will be issued, either by the railroads or the steamships, namely:

That, effective on and after September 1, 1913, no railroad or steamship bill of lading will be issued without describing the actual condition of the bales of cotton received by them.

The following clauses descriptive of bales of cotton to be used in bills of lading:

1. Not thoroughly covered.
2. Covering insufficient to retain marks.
3. More or less wet.
4. More or less stained.
5. More or less soiled.
6. Bales of cotton tendered for shipment wet and subsequently allowed to dry out will be marked "Bales have been wet and dried."
7. The standard size of gin boxes is to be 27 by 54 inches, and an extra charge of \$1 per bale on cotton will be made for ocean freight on all bales from boxes of greater length or width than the above size.
8. The standard size bale 27 by 54 inches is the basis of the freight engagement with ocean carriers, and each and every bale of cotton from gin boxes not exceeding 27 by 54 inches must on delivery contain a minimum density of 22½ pounds to the cubic foot. Any bale of these dimensions that does not show this density, if not re-pressed to the required density, shall pay extra freight of 50 cents per bale.
9. Each and every bale of cotton must be durably and legibly marked or branded. Marks to be placed between bands so that no part of the mark will be covered by the band. No other mark allowed upon the bale, except head brand (if any), and the mark under which the bale is moving for export. All

other marks to be thoroughly obliterated so that no part of any old mark will remain.

10. When the quality of the bagging is insufficient to carry the marks to destination a patch of good bagging or cloth should be put on the bale under the bands to bear the mark.

You will note by the above resolutions that it is the positive intention of all steamship and railroad agents to give the subject of cotton inspection, commencing September 1, 1913, very rigid attention. You will further note that should the cotton tendered for shipment bear any of the defects noted above, that either any or all of them will be so noted on the bill of lading. We desire to state that if the condition of the cotton justifies these notations on the bills of lading and they are so noted, that these notations will destroy the negotiability of these cotton bills of lading in so far as the banks are concerned, and it will become impossible for the exporter or cotton buyer to draw through New York or other financial centers for the value of the cotton when the bill of lading accompanying same bears any of the above-enumerated notations or exceptions.

As the time is exceedingly short before the movement of the next crop, and as it is essential for all bills of lading to be relieved of any exceptions whatsoever, it is of grave import that you and all of you exert every effort within your power to see that all cotton interests in your territory conform to these rules and to bring them face to face with the seriousness of the situation and the necessity of seeing, first, that the bale when ginned is the proper and standard size gin box, and that it be kept at all times under cover and not subject to rain and other weather hazards; that sufficient bagging of good quality be used, and, in short, that the cotton, which is the most valuable of our products, be given the treatment that is required for its preservation and marketing.

MEMPHIS CLEARING HOUSE ASSOCIATION.

(Comprising the following banks: Central-State National Bank, Bank of Commerce & Trust Co., Central-State Bank & Trust Co., Union & Planters Bank & Trust Co., Commercial Trust & Savings Bank, North Memphis Savings Bank, Security Bank & Trust Co., Mississippi Valley Bank & Trust Co., First National Bank, National City Bank, Mercantile Bank.

MEMPHIS, TENN., June 27, 1913.

MEMPHIS COTTON EXCHANGE, Memphis, Tenn., June 14, 1913.

To the Planters and Ginners in the States of Tennessee, Arkansas, and Mississippi:

The Memphis Cotton Exchange considers itself in duty bound to call to your attention the resolutions passed at recent conferences of cotton, railroad, and steamship interests held in New Orleans, Dallas, and Atlanta, to the effect that beginning on the 1st day of September, 1913, a penalty of \$1 per bale will be assessed on cotton not baled in a standard gin box 27 by 54 inches. In addition to this, exception will be taken on through bills lading and on port bills lading to the condition of cotton as follows: (1) Not thoroughly covered; (2) covering insufficient to retain marks; (3) more or less wet; (4) more or less stained; (5) more or less soiled.

These restrictions have been made necessary by the numerous claims made upon the carriers for which the carriers do not consider that they should be held responsible.

The Memphis Cotton Exchange most strongly advocates the standard gin box 27 by 54 inches. It also strongly advocates an improvement in the covering of cotton. No commodity approaching in value this the South's greatest wealth producer is handled in so careless a manner. The result of this action on the part of the carriers will necessarily be that the shipper will have to pay these penalties when assessed. Naturally the shipper will have to allow for these penalties in the price he pays the producer, and it is the earnest desire of the Memphis Cotton Exchange to avoid these penalties by the establishment of a uniform gin box throughout our territory. It is likewise the desire of this market to lead all markets in its methods of handling cotton. Cotton receives protection in Memphis superior to any other market in the world, and is as a result shipped out in better condition than from any other market. It is the desire of our exchange to further improve conditions and to cooperate with the

producers to secure for them the best market and the highest price for their commodity.

In making the above recommendation as to the standard size of the gin box, namely, 27 by 54 inches, we feel that we are only anticipating the demand that the Government will sooner or later make for a standard bale both as regards size and covering.

The Memphis Cotton Exchange will deem it a favor if you will reply to this letter giving the size of your gin box, and if not 27 by 54 inches, please advise if you will change it before the coming season.

For your information, 90 per cent of the cotton handed here are bales of standard size, namely, 27 by 54 inches.

Yours, very truly,

C. W. BUTLER, *President*.
HENRY HOTTER, *Secretary*.

SOUTH ATLANTIC AND GULF STEAMSHIP CONFERENCE,
New Orleans, La., September 19, 1913.

Mr. W. C. ADAMSON,

*Chairman Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.*

DEAR SIR: I duly received your favor of September 2 asking for copies of statement previously sent you.

Owing to extra work I am just now able to send you copies of my letters of July 7 and 16, which I believe are what you ask for

Yours, very truly,

WM. P. ROSS,
Chairman South Atlantic and Gulf Steamship Conference.

There is apparently very great progress being made in converting oversized gin boxes with considerable improvement noticeable in condition and marking of bales.

NEW ORLEANS, LA., July 7, 1913.

HON. W. C. ADAMSON,

*Chairman Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.*

DEAR SIR: Capt. A. F. Churchill, of Savannah, has sent me copies of correspondence passed between you, with copies of proposed amendment to the Harter Act, and I take the opportunity of writing you supplementing Capt. Churchill's statement from a steamship standpoint.

I would state that steamship owners and steamship agents are not reformers, and it is only when matters have assumed a very serious shape that it is possible to get such action in protection of their interests as has been forced upon them in this matter of condition of the American bale of cotton.

The condition of the American cotton bale has been a world-wide scandal, and has been given consideration by the proper department of the General Government more than once. I have now before me copy of report by J. M. Carson, commercial agent of the Department of Commerce and Labor, Special Agents' Series No. 58, on the packing and marketing of cotton, which I have no doubt has been read by you.

The question of marking cotton has always been a source of very serious trouble and expense to all concerned, and especially to ocean and rail carriers. In reference to this and to show how serious and important it is, I inclose with this copy of paper prepared and submitted at the American Association of Railroad Freight Agents at Buffalo, N. Y., and would say incidentally that as high as \$4,500 has been paid out on one steamer's cotton cargo against claims from wrong marks and no marks.

As to condition, although constantly paying claims for damage to cotton, steamship owners did not move in this matter until after the decision of the United States circuit court, in what is known as the Darien case, and the decision of the British House of Lords in what is known as the Corinthian case, both of which were based on the Harter Act and established the fact that if ships signed for cargo in good order, or apparent good order, when there were visible deficiencies and damage, or for identifying marks, when these

were not legible and durable, that owners of the ship were liable for such damage.

With the exception of cotton, steamship agents have always carried out the terms of the Harter Act, calling on them to sign for actual condition and marks, but with cotton it has for nearly half a century, to the writer's knowledge, and probably from the time cotton has been shipped in quantities, been customary to sign for it in good order without reference to covering or condition; deficiencies in this respect being the regular custom of the trade, accepted by shippers and receivers, but guarded against by shippers through insurance policies covering country damage, and under which policies the marine underwriters have paid out many millions of dollars for damage occurring before it was even insured or purchased. About three years ago these underwriters inserted in their policies a clause by which, if claims under that policy for country damage did not exceed a certain percentage, a refund would be made to the policyholder at the end of the year, and I am told that as high as \$10,000 has been refunded to one policyholder on one year's business under this clause.

Following right on top of this move of the underwriters came the Corinthian and Darien decisions, thus creating an incentive to reduce country-damage claims on the underwriters by making the claims against the ships. Claims were filed in large numbers, and most of these showing on the face that they were simply for repairs to bagging, which bagging did not exist on the bale at the time of shipment, most of them being for an average of less than \$1 a bale, consisting of picking off from half a pound to 2 pounds of cotton, the rest being from 50 to 75 cents per bale for repairs; and the claims boldly stated that it was for damage previous to delivery to the steamer. In other words, not for damage done by the ship, but for damage previously.

Steamship owners became promptly alarmed and instructed their agents in this country to take the matter up and defend their interests. It resulted in a meeting at New Orleans in April, 1912, representing steamship interests from Montreal to the Rio Grande. It was then decided that commencing with the season just closing that steamships would only sign for cotton as in good order if thoroughly covered and free from external damage, nor for marks unless durably and legibly marked. This meeting was followed by several meetings of cotton interests; and in July, 1912, by a meeting in New York, at which all interests were represented, and the following compromise clause as to condition was adopted:

"It is mutually understood and agreed that the description of the condition of the cotton does not relate to insufficiency of or the torn condition of the covering nor to any damage resulting therefrom, and that no carrier shall be responsible for any damage of such nature nor for any damage not caused by its negligence."

Also:

"That if the bale was insufficient to hold marks that it should bear a suitable patch on which a durable and legible mark could be placed."

And this New York clause on condition has been on all bales of lading for cotton during the past year, but it did not stop claims from the cotton interests, many of whom participated in the New York meeting, while the best legal advice which the steamship agents could get were unanimous in stating that this clause did not fill the plain requirements of the Harter Act. There was therefore no option on the part of the steamship interests but to devise a clause which would comply with the terms of the Harter Act. Another meeting of the steamship interests was held in New Orleans in March, 1913, when it was decided that with the coming season the actual condition of the cotton should be stated in accordance with law on receipts and bills of lading.

This meeting was followed by others at Dallas, Memphis, New York, Hot Springs, Atlanta, and Birmingham. At Dallas the cotton interests of Texas and Oklahoma and Arkansas were unanimous in approving what are known as the Dallas resolutions, as per inclosed copy attached, fully believing and realizing that there was nothing impracticable, but that the very carrying out of the same was to the interest of all concerned, commencing with the producer. It was not until the meeting at Atlanta that there was any real opposition developed, and this opposition was in no way antagonistic to the principles laid down, but simply called for delay, which meant in other words that the steamship lines should continue to bear the burden of damage done on goods previous to delivery, whereas the Dallas resolutions representing over one-third of the entire crop fully indorsed and adopted mean that the shipowners should

be responsible for the damage done by them; that railroads should be liable for damage done by them; that compressors and warehouse men should be responsible for damage done by them; and that exporters and commission merchants and farmers should be responsible for damage occurring to cotton in their respective possession.

It is probable that all I have so far written is familiar to you, but it is impossible to go into this matter properly without stating all these facts.

Coming now to the question of your proposed amendment of the Harter Act, there are four questions involved:

First. The covering of the bale.

Second. The marking of the bale.

Third. Damage showing on the bale.

Fourth. Standard sized bale and density.

As to the covering of the bale the trade does not so far seem to think covering necessary; that this is correct I would again point to the New York clause, and if that clause was legalized and made a part of the Harter Act it would not be necessary, in my opinion, to impose the clause "Not sufficiently covered," and I would ask that if you press your amendment that this New York clause be made a part of the Harter Act; as a matter of fact steamship lines are not interested in the covering of any package beyond what is necessary to relieve themselves from claims arising through deficiencies in covering, which is not the result of their own carelessness or bad handling, which this clause fully states.

Marks.—Even at Atlanta and Birmingham it was recognized that property as valuable as a bale of cotton, which might easily be worth \$100, should be durably and legibly marked so that the carrier would be enabled to deliver the actual cotton received by him.

Condition and damage.—I would first draw attention to the fact that not one bale of the coming crop is yet damaged, simply because it has not yet been baled, and that practically all damage is preventable. There is no doubt that there are millions of dollars of damage done to every crop by failure to give it ordinary protection, and this damage is apt to start from the time it is put into bales by letting it lie on the ground to absorb moisture and rot, and by failure to protect it from rain. It costs very little to lay a flooring of boards or planks over 6-inch scantlings, which will prevent damage from the ground, and it will cost less to buy tarpaulins than the amount of damage which is caused by rain; with a little care on the part of all concerned, if damage is not entirely stopped, there will be millions of dollars saved to the farmers, and they are the ones who eventually foot the bills.

As far as shippers and exporters are concerned, no man buys cotton without examining it, and without a full allowance for damage, which damage can be readily picked off when tendered for shipment to the railroads or ships and a clean bill of lading secured. In many years experience in dealing with cotton exporters my experience is that the vast majority of them do not want to ship damaged cotton, and I do not hesitate to say that the man who wishes a clean bill of lading for damaged cotton should not have consideration; I am happy to say that such men are remarkably few in the trade. If, therefore, what is known as the New York clause is legalized, if cotton is durably and legibly marked, if damage is picked off and the bale put in condition previous to shipment, there will be no exception on any bill of lading.

Before leaving the question of condition, I beg to draw your attention to the attached circular issued by the Memphis Clearing House Association. I think it safe to say that this circular means that a very large amount of the preventable damage done in the Memphis territory will be eliminated, and a great many hundred thousand dollars, perhaps millions, saved to the farmers in that section. This circular goes to all interests, including the country banker, whose attention is thereby drawn to the fact that it is to his interest that the collateral on which he advances money should be properly protected. I only hope that all clearing houses in the South will issue a similar circular. Prevention is better than cure, and this is the way to prevent, or minimize damage.

The next question is that of density and standard baling. It is not correct that this is any new subject. The density standard was established as far back as 1883, when it was found that the same ship would vary in her carrying from voyage to voyage, sometimes as much as 25 per cent. It was taken up and ascertained that the compresses of that day, which were vastly inferior to the present, could easily compress to the density of 22½ pounds per cubic foot.

The bureau of inspection developed the fact that almost all cotton which could not be compressed to a density of 22½ pounds was that which was put up

in too long or too wide a box to be grasped by the platens of the press. In 1894 a meeting of cotton, steamship, and compress interests was held in New Orleans, and the result of which was the decision that any reform in the actual baling and condition of cotton, must be preceded by a standard size bale. The standard then adopted was 24 by 54. The matter was pushed all over the country, and notably in Texas. This reform was largely accomplished, but the farther east the matter got in the cotton belt the less the progress. It was soon found that while 24 by 54 was satisfactory for bales under 500 pounds in weight, that there was difficulty in packing heavier bales in the boxes of this size, and most of the gin boxes, especially west of the Mississippi River, are now 27 by 54, which dimensions are adopted as the standard bale, and I am informed that it will cost but from \$1 to \$2 to reduce an oversized box to this dimension, as they merely require lining the sides and ends. It is a singular fact that from the time this action was taken, in 1894, fires in cotton on shipboard commenced to fall off; they have not stopped, but are now infrequent and have steadily diminished in the same proportion as the number of irregular, spongy, and badly boxed bales have diminished. I believe with a standard bale, better covering, and naturally increased density, the horrors of fire at sea in a cotton ship will be almost a thing of the past.

The question of density and standard size affects a ship's carrying, and consequently her revenue, and experience has taught shipping interests that they suffer in carrying as much from irregular size bales as they do from lack of density, while, as a matter of fact, the irregular size bale is usually the one which shows the least density. As an example of how this works, I would say that it is manifest that you could not pack 1,000 bricks of various sizes in the same space which you could pack 1,000 bricks all of equal size, even though there was the same amount of clay in each thousand. It is the same with bales of cotton in a ship. The dollar per bale extra freight is not a penalty, but an average adjustment of difference in freight and loss of revenue caused by this displacement. The records of the inspection bureau prove that on density alone the loss of revenue on irregular bales in some cases runs over \$2 per bale, without any allowance for displacement from irregular size. Cotton is carried by weight, but it is reduced in practice to cubic measurement. There is not a ship now in the trade that can load herself with her full dead weight in cotton; the ship is not so much interested in extra density to increase the number of bales carried, but in knowing that it has even running bales of equal density.

The ships in these matters are simply establishing standards that in no way interfere with free competition. If they are outside of the law in doing this, so is the cotton trade or grain trade outside of the law in establishing grades on cotton and grain.

Attached you will find what is known as a "ship's plan," giving what she will lift in tons of 2,240 pounds and the number of cubic feet of space. It is found that with even-running standard-density bales of 500 pounds each they will displace, hand stowed, about 30 feet per bale of this cubic capacity. Ships carry almost all articles either at rate per 100 pounds or a rate per ton of 2,240 pounds, but the rate on these vary according to the number of feet per ton of 2,240 pounds.

I inclose a freight brokers' circular under date of November 30, 1912, taken at random from my office files, which exemplifies this. From this you will note that for Liverpool quotation on cotton was 80 cents per 100 pounds, cotton occupying about 140 feet per ton of 2,240 pounds; on hard wood the rate is quoted at 40 cents, the hard wood occupying about 90 feet per ton of 2,240 pounds; on cottonseed cake the quotation is 28s. per ton of 2,240 pounds, as a ton of it will stow in 55 cubic feet. A study of rates of freight charged will show that it is all worked out on a basis of cubic displacement, and this is the meaning of 22½ pounds density and of the dollar a bale extra freight demanded on irregular-sized bales.

Referring specially to the amendment of the Harter Act, proposed by you, which states:

"That each article appearing to be in bad order and condition shall be clearly specified and identified, and the character and extent of the defect or damage or irregularity which appear to affect the order and condition of each article shall be clearly specified."

This is the law as it stands, and the effect of this clause would mean such a minute examination of each package and so many defects on each bill that in

order to do business a shipper will have to put his cotton in absolute perfect condition or it will be necessary to append the condition of each bale with exceptions as to packing and condition, which will make from 1 to 12 notations against each bale.

The next question:

"On demand of the consignor separate bills of lading shall be issued for article in good order and condition and those not in good order and condition."

The shipper has the right to-day to ask this, but, as a matter of fact, there would practically be no good-order bales, as, to start with, the bale which is thoroughly covered so that it will protect its contents from damage exists in very limited quantities, if at all.

The next question:

"Whether freight charges be based on weight or space occupied, freight charges on a particular consignment shall be determined according to the plan in force, and it shall be unlawful to impose or insert in the bill of lading or shipping document any penalty for overweight, oversize, or irregular size of any article."

The steamship interests are not proposing any penalties at all; they are proposing to ask for freight on all articles based on their weight and the space occupied. There is no doubt the intention of this clause is aimed at the lack of density in cotton and irregular-sized bales. If such a law is put in the statutes, the shipping interests would have but one recourse, and that is refuse for shipment any bales put up in boxes exceeding 27 by 54 or any bales that do not come up in density to 22½ pounds minimum until the cotton is delivered to them in such a condition. Such a course would be very drastic, but if the law called for it there would be no other option, even if it imposed on exporters burdens and expenses which do not exist under the rules proposed. They would doubtless meet the condition by refusing to buy bales which they could not ship and by recompressing at a higher expense than 50 cents per bale.

I have written at length in this matter, as it is my desire to convince you that steamship lines are only demanding protection against claims for damage not done by them and for a standard basis fair and equal on which to base their rates of freight; also to carry out the plain requirements of the law as it stands.

If there is any point on which I have not made myself clear, I shall be glad to take same up further with you.

Very respectfully,

WM. P. ROSS,

Chairman South Atlantic and Gulf Steamship Conference.

JULY 16, 1913.

Hon. WM. C. ADAMSON,

Chairman Committee on Interstate and Foreign Commerce.

House of Representatives, Washington, D. C.

DEAR SIR: I am in receipt of your favor of July 11 and have carefully noted all you say.

In reference to your suggestion about the ships contesting unfair claims, I would say that this is being done in each case. Liverpool is being made the special point of attack, and while some cases may be decided against the ship, and rightly so, a great many of them will be decided in the ship's favor when it is shown that the receipts given at the time of loading have noted these very damages. In cases where cotton is received from the railroads under through bills of lading with deficiencies noted the claim is then made against the railroad company, and the claim agent of one of the large railroad companies told me he was getting them at the rate of 100 a month. The railroads are, therefore, only now realizing that they as well as the ships are being attacked in this matter; it also shows how well organized a system of reclaims has already been built up, and while the railroads are keeping quiet about the claims made on them they quite realize from the experience of last winter, when at all ports these deficiencies are noted, that when they sign a through bill of lading severally, but not jointly, they place themselves under the conditions of the Harter Act, as they are signing as agents of the steamship line.

I would say that, as a matter of fact, with the exception of "not thoroughly covered," the notations under discussion—"insufficiently marked"—and with exceptions as to damage, have been the rule from all ports during the past winter; these clauses have gone on bills of lading, literally on thousands of

them, and the bankers have made no exceptions; they have taken the bills. The practice has been that when 100 bales was delivered to a ship it was examined; if one bale was found wet it was so noted; if three bales were found muddy they were so noted; and on port bills of lading these exceptions were entered applying only to the bales found deficient.

As a matter of fact the bankers will realize as this matter works out that these examinations of the cotton are in their interest, as the following example will show:

My personal attention, when I was passing down the wharf one day, was drawn to a lot of over 100 bales which had been received badly damaged by wet; the shippers were notified and they immediately, on examination, had it sent to the pickery and the damage was picked off. It would appear that this lot had been bought by a local exporter from a man in the interior on terms which are known as "guaranteed thoroughly"; the interior man had either bought it in a damaged condition and shipped it that way or it got damaged afterwards, but the shipper would have known nothing about it had the inspection department not called his attention to it. As it was, he got a clean bill of lading after conditioning the cotton, and was able to make his claim upon the man from whom he bought it. It taught that particular exporter that this inspection service was in his interest, and from being one of the principal kickers he is one of the best friends of the movement.

As far as the banks are concerned, the effect of this inspection will be to limit the notations on the bills of lading for damage to the bales which are damaged, and if there is any wholesale damage the shipper will ninety-nine cases out of one hundred, in his own interest, put the cotton in order and get a clean bill of lading.

I have gone into this, as I should judge from your letter that it was not clear in your mind, that if one or more bales of a parcel were found deficient, all the cotton under that bill of lading would be classed deficient. This is not the case. Deficiencies can only be noted against bales that have them. If there is only one bale deficient, only that one bale will be noted; if there is only one bale clean, the shipper will be entitled to a clean bill of lading for that one bale.

As to the clause "not thoroughly covered," if cotton is delivered thoroughly covered the ship is bound to sign that way, or if a portion of a shipment is delivered thoroughly covered the shipper is entitled to a receipt without that notation on such bales, but with the exception of round bales, and certain special lots of cotton, there is practically no cotton delivered unless the side pieces are missing, sample holes open, and the bagging torn.

I will say, however, there is a great improvement in this respect even with the work of the past year; the bales which we note on the drays in the city have much better appearance, and it is seldom you see a dray load of cotton now with the heads missing or left open. It is a singular fact, that shippers are only now beginning to realize that their loss in weight claims are reduced by care, especially in seeing that the heads are sewed up.

I do not for one moment believe that bankers will turn down a single bill of lading from a reputable shipper with a notation "not thoroughly covered," or one with from one to a dozen bales of a parcel on which there are notations as to wet and damaged; even these are limited, from the fact that shippers, even if they do not condition it, want the damage specified. They are entitled to this and they get it.

Mr. Churchill was quite correct in stating that each bill of lading would clearly indicate how many bales are out of order in each lot and what was the matter with each one. It appears to me that any exporter whose standing with his banker is not sufficient to feel he is good for the damage of a few bales in a parcel has not sufficient standing to do his business anyhow.

As far as the large buyers of cotton bills are concerned, to whom the small banks sell, there is plenty of competition between these, and they have been taking bills all winter with these exceptions on them. I think they are pretty apt to draw the line more closely on the clause "bagging insufficient to hold marks," as it is quite easy if it is cotton worth \$100 a bale or more to have to take cotton worth less than \$50.

I note what you say about the Texas people, and in this they are not at variance with the Mississippi Valley people, including Arkansas and Oklahoma. The Texas people were the first to realize that buyers abroad, would buy cotton more freely where they knew it was properly put up and taken care of with less damage, less loss in weight than from sections that did not

take this care. I believe the Texas people will have an advantage in this, while the Georgia people will have a disadvantage in selling abroad.

In reference to taking this up with the farmers and ginnermen I would point out that as far as the steamships are concerned they only come in direct contact with the railroads and exporters and it is a matter that can only work back. On the face of it it sounds reasonable that plenty of notice should be given. On condition and bagging we started a year ago last April, and as far as these two items are concerned you are well aware it is still a matter of contest. In fact, as far as bagging is concerned, there has been no improvement whatever in the quality of it, and only a partial improvement in the amount of covering put on a bale. I hope that this winter will show a much greater improvement in this respect, and that the trade will realize it is in its own interests to use a better quality of cotton bagging.

As far as the size of the box is concerned this notice was put out last March to apply only on a cotton crop for which to date only three bales have been sent to the market, and there is still ample time to fix every box before a single bale is packed in it. I very much doubt, if we had deferred this to apply to the crop of 1914, if we should not have requests to defer it still further, just as we are having requests to defer the clauses as to conditions, bagging, and marks; as it is I do not doubt now but what a great many thousand bales, that under the freight contracts should pay \$1 a bale higher freight, will slip past in a hurry.

In the concluding paragraph of your letter you state that you want all the information you can get on baling, sampling, transportation, financing, and marketing of cotton, and you would especially like to have an authoritative statement from me as to whether or not steamships can comply with the Harter Act as to make the exception on the bill of lading so plain and specific as to deprive the bankers of their pretext for outlawing those bills of lading for a basis of credit. While I have practically replied to this last, I would again state that every notation of damage will be specific and limited to the bale so deficient, and that if there is wholesale damage on a lot of cotton, it would show so in the notation, so that the bankers would know exactly where they stood, and such cases would be very exceptional.

As to "Not thoroughly covered," this is sure to be on almost every bale, unless there is quite an improvement over anything heretofore, but this notation is only making positive what the bankers agreed to last July in New York; it merely makes a positive out of the negative clause they adopted, but the principle is the same, and it is not regarded as a deficiency to the bale to which the banker can take exception.

As to marks, I only hope that the bankers will be rigid in this respect, and insist upon cotton being durably and legibly marked.

In conclusion I would say that I am satisfied that the agitation now going on will mean that the preventable damage to the growing crop will be minimized anywhere from 50 to 90 per cent, and this alone means millions of dollars saved to the southern farmer.

I have read with interest your article in the Savannah paper, and feel that this alone will go a very long way in securing better care and an enormous reduction of damage on Georgia cotton, and that is what we are all working for.

Yours truly,

Wm. P. Ross,
Chairman, South Atlantic and Gulf Steamship Conference.

P. S.—I find I have omitted to reply to your remarks on density. The steamships are more interested in uniformity than they are in extra density. In fact it would manifestly be against the interest of shipowners if there was a standard of 30 pounds on which the bulk of the crop would be carried, as it would reduce the number of ships given employment, and as competitive conditions force the rates of freight according to cubic displacement, the ships would get no benefits from same.

There have been quite a number of efforts to put up cotton with extra density, but with the exception of what is known as "webb cotton," they have all failed, and there is not much webb cotton at extra density outside of Texas, where there is more or less of it, and where there is an allowance in the rate of freight for such cotton. There are quite a number of web presses, but they do not find it is profitable to give this extra density. In fact there is hardly a good compress that can not with care give 30 pounds, but this means reducing the number of bales per day that can be compressed perhaps 25 per

cent, increasing the pressure of steam, meaning more coal and additional bands, the cost of which largely absorbs the reduction in freight. In fact unless this extra-density cotton is in straight lots, and can be stowed by itself in the ship, there is no gain to the vessel in the amount of cargo carried.

I do not doubt the day will come when the practice of gin compression will largely increase, and if so there will be a greater density. I believe the day will come when the bulk of cotton will be gin compressed at a density of over 30 pounds, where the sampling and weighing will be done at the gin, where a standard size and standard quality of covering will be used that will thoroughly cover and thoroughly protect the bale, but all this is a matter for the trade to work out. Such a condition will not only cut out all the intermediaries of sampling, weighing, etc., but it will reduce railroad and ocean freights and ocean insurance, and be a package where damage will stand out clearly and unmistakable.

We have seen that revolution in the export flour trade, but it took about 15 years to accomplish, and now flour is handled by everybody with the greatest care, and the damage is paid for by the man responsible for same.

Y. P. R.

REPORT OF T. H. KIMBROUGH, CHAIRMAN OF A COMMITTEE APPOINTED BY THE
GEORGIA LEGISLATURE.

MR. SPEAKER: Under a resolution of the General Assembly of Georgia approved August 5, 1912, a copy of which is hereto attached, a joint committee, viz, J. A. Cromartie and W. W. Hamilton, of the senate; M. L. Johnson, J. E. Lord, and T. H. Kimbrough, of the house, were appointed a committee and authorized to take such action as was necessary to secure legislation on the question of cotton tare, the standardization and improved condition of the American cotton bale, the reduction of freight and insurance charges, and assure the arrival of our fleecy staple to destination in a respectable condition, would ask to make a report on this important work.

Our first work was to compile and have printed the action of the general assembly, 1911-12, on this question that we might prepare for an effective and intelligent effort. After this we carried the question before the Annual Association of Agricultural Workers and Commissioners of the Cotton Belt, at Raleigh, N. C., November 7, 1912, and was discussed with much interest and profit. At this time a special committee, consisting of Senator Hoke Smith, of Georgia, Senator E. D. Smith, of South Carolina, Congressman Burleson, of Texas, Brantley, of Georgia, and representatives from the Departments of Agriculture and Commerce, who were requested to take up this subject and cooperate with your committee and commissioners of cotton belt. To carry on this work we found it necessary to correspond with our Senators and Members of Congress, governors and commissioners of cotton States, leading agriculturists of the South, exchanges of Europe and America, steamship lines, association of cotton manufacturers, and many others, which required several hundred letters. We are glad to report that a majority of these were not only very respectful to your committee, and promised their hearty cooperation, yet there were those from whom we expected help that we found not in sympathy with the producer—who has to work 13 months every year to clothe the Nation—or they were too dull to comprehend and appreciate the importance of the work assigned us.

We visited or conferred with some of our cotton manufacturers, and have endeavored to watch the movement of various cotton interests, who plant not, neither do they spin, but through associated effort in several conventions, were providing penalties, imposing burdens, appointing and instructing strong delegations to shape national legislation on cotton to suit their views, and never in a single instance have they consulted the producer or manufacturer. And not since Oglethorpe planted the first 50 cottonseed, where Savannah now is, has there been such efforts to control and appropriate values. By a prompt effort, they have receded from their plan to adopt a standard press box 24 by 54, which would have not only been a hardship and very burdensome, but would have been wholly impracticable for general use.

As these had arranged to shape national legislation, we felt it our imperative duty and privilege to help them, even without an invitation, and we appeared before and were heard by the Interstate and Foreign Commerce Commission on the cotton question.

The National Government, through this committee and Agricultural Department, are manifesting an interest, and we feel is in full sympathy with justice, and we expect results that will be beneficial to our cotton section in more ways than many expect.

We feel under special obligation to ex-Representative Brantley and Representative W. C. Adamson, of Georgia; to Senator Hoke Smith, of Georgia, and Senator E. D. Smith, of South Carolina, and other southern Representatives; and also to those of other sections, who knew but little of cotton and nothing of the situation, until the appeal to President and Congress by the General Assembly of Georgia, 1911, but now much interested.

We are sure progress has been made, though we well know that much more could have been accomplished, if in some of the departments (who were expected to help) there had been less politics and more readiness to work.

Many of our manufacturers are, or express themselves in full sympathy with the move. Some of the exchanges in Europe and in America admit the justice of our course, and we have reason to expect help from them.

Now, Mr. Speaker, if not considered presumptuous, would suggest a new committee, one from the senate and two from the house, who with the commissioner of agriculture would continue the work, with instructions to push it, and are confident that they will save millions of dollars to the cotton belt; have our cotton producers to meet every reasonable demand of trade and transportation, and that we will soon see an improvement in the cotton bale that will make it the pride of America.

Respectfully submitted.

T. H. KIMBROUGH,

For the Legislative Committee of Georgia.

STATEMENT OF HON. T. H. KIMBROUGH, OF CATAULA, GA.

MR. KIMBROUGH. Mr. Chairman and gentlemen of the committee, I hope I will be pardoned if I present this question altogether from an agricultural standpoint. I do not know anything else. I know when the shoes pinch my feet, and I can generally tell which foot is being pinched the hardest, and from experience I have found that the only remedy is to stretch the shoe or trim the foot. If you will allow me to take my own plan of presenting this matter, I will first call your attention and give a brief history of this "tare" question. About 20 years ago, as well as I recollect, it was necessary for the farmers of the cotton belt to make a fight against the jute bagging combine of America, and in this fight, as the presiding officer of the Georgia State Grange, I was requested by the executive committee to correspond with the exchanges both of Europe and America. I learned a great deal from this correspondence, and the information obtained was simply this, that "there is 6 per cent tare charged against every American bale of cotton." That being the case, it would be a suicidal policy on the part of the producer if he did not put on the 6 per cent "tare." Also it was suggested that with less than 9 yards of good bagging the cotton would not be protected in transit, and would not reach its destination in good shape.

When the question presented itself to my mind I was anxious to know by what authority 6 per cent tare had been adopted. I could not find out from any of the exchanges. It had been adopted long before, and I did find out that when it was adopted the cotton bales of America averaged about 400 pounds, that the bale was covered with heavy India bagging, and it was bound up with a very heavy strong, grass rope, taking about 84 feet to the bale. At that time this tare was approximately right—there is no dispute about that—and was no injustice to anyone. Then the rope was dispensed with and ties were adopted, and at the time they were adopted—and I hope the committee will note this, as it has a bearing on the question—

MR. RAYBURN. What time was that?

MR. KIMBROUGH. That was about 1870. At the time these iron ties were adopted they weighed 12 pounds to the bale and we were still using the heavy bagging, but since that time the weight of the bagging and ties has been reduced. During all of the time after that—this is a very important point with us—as long as the bagging and ties were high or the bagging cost approximately as much as the cotton, the exporters and the exchanges urged and demanded that we cover the bale up entirely so as to protect it from the accumulation of

trash and dirt and secure its arrival at destination in good shape. They demanded that. It was only 10 or 12 years ago, as you remember, that the bagging and ties were approximately much cheaper and cotton began to gradually advance.

As soon as that was the case the exporter set about to make for himself, and he demanded that we use only 6 yards of bagging and six ties, which weigh, on an average, from 18 to 20 pounds; yet the tare of 6 per cent was still charged against our cotton. We would not submit to it. He then instructed his buyers throughout the country, in every instance where more than 6 yards of bagging or six ties were used, to dock us 50 cents a bale. I resisted it and told them that if they docked my cotton I would present the matter to the grand jury. Well, that did not work to suit them, and so the next year they levied a penalty of \$1 a bale. As long as we had the protection of the marine law of the United States we felt safe; we had help. But to carry out this policy they secured a change, not in the marine law—there has been no change in that law at all that I have been able to find—but they did succeed in securing a change in the construction of the marine law, and then simply proposed to dock us \$1 for every bale that had over 20 pounds of bagging and ties, and at the same time they were deducting in the price 30 pounds. That all shows the way this thing has been running for years. When it was to my interest to put on the bagging and ties they would not let me do it, and when it was not to my interest they demanded that I should do it.

Now, I see it is claimed that this arbitrary tare of 6 per cent put upon the American cotton under entirely different circumstances did not affect the producer's interest. I claim, sir, that it not only affects the producer's interest, but it affects the interests of the manufacturer and the consumer. I made this proposition to a convention of commissioners of agriculture and agricultural workers: That if they could find a sugar refiner or a manufacturer of sugar who would sell them 50 or 100 barrels of sugar and allow them to deduct for tare 10 pounds a barrel more than the weight of the barrel itself that I wanted to pay the expenses of that man's photograph and have my daughter enlarge it and hang it up in the congressional committee room here. I am willing to do it if a mill man will sell you a few barrels of flour—the standard is 192 pounds—and allow you to deduct 10 pounds more than the weight of the barrel. You will find another strange man. You may take cheese or tobacco or anything under the sun that is sold by the pound, and only the actual tare is deducted, and I do not see why cotton should not be treated as other commodities. I think it should receive at least as much respect, because it is entitled to the credit for three-fourths of the balance of trade that is created in favor of the United States.

The CHAIRMAN. The whole principle is that you want pay for the contents and not for the container?

Mr. KIMBROUGH. Yes, sir; that is it.

Now, it is also argued by some and claimed that the American spinner does not deduct as much on this tare question as does the European. I have never been able to see it just that way. To carry this thing a little further and to show the extent of it, the Government of the United States has taken hold of the boll-weevil question. The loss to the cotton producers by boll weevil is estimated up to the present time from \$125,000,000 to \$150,000,000. I figure—and they say that figures do not lie—that since I have been at work on this question of "cotton tare" that the loss to the producer by it, in round numbers, has been \$250,000,000.

The CHAIRMAN. Then the boll weevil does not enjoy a monopoly of marauding on you?

Mr. KIMBROUGH. No, sir.

I want to digress a little bit. That you are all Bible readers I am satisfied, and you all know that Father Adam was a very economical man.

Mr. RAYBURN. In the way of clothing?

Mr. KIMBROUGH. In every way. That is what history tells us. I make this statement: If he had posed as a financier and made only from \$1 to \$2 a day, loaned the money out, or invested it, and realized from 6 to 8 per cent on it, he could have provided for Mother Eve in the highest of style.

The CHAIRMAN. To keep her fig leaves on straight?

Mr. KIMBROUGH. Yes, sir; and not only to carry her about in automobiles and aeroplanes, but he could have bought her a harem skirt or a hobble skirt or a slit skirt every month in the year and a merry-widow bushel-basket hat every quarter. He could have smoked 25-cent cigars, and made enough money

by this time to buy this world and a part of the moon. If he had loaned it out at only 2 per cent, he could have bought the United States and Canada, with reciprocity thrown in, and just loved Mother Eve all the while.

Mr. WILLIS. You do not think that would have added anything to the value?

Mr. KIMBROUGH. I do not know. If he had gone to work on cotton when directed by God Almighty to go out and earn his bread by the sweat of his brow, and had had the boll weevil and "cotton tare" to contend with, he could not have afforded to give Eve more than one Mother Hubbard a decade, and he would have had to make his own shirt out of fig leaves and drink only one very near beer, and that on Fourth of July, smoke only one cheap cheroot, and that on Christmas Day. At this time he would not have been worth as much as the cotton speculator hopes to make out of the crop of this year.

The General Assembly of Georgia in 1911 passed a resolution on this question of cotton tare, and instructed me to prepare a memorial to the President and the Congress of the United States on this question. It was done. Our consuls were put to work, and the result of it was that we have Special Consular Report No. 57, I believe it is, and a report from the Commissioner of Corporations, and not in one instance have I seen my position on this question refuted.

Mr. WILLIS. You refer to a report of the Commissioner of Corporations; which report is that?

Mr. KIMBROUGH. I forget the number.

The CHAIRMAN. Is there any part of those reports which you would like to incorporate in your statement?

Mr. KIMBROUGH. No, sir; I just want to call attention to them. These reports were very full and showed up a great deal.

In 1912 the Georgia Legislature appointed a joint committee to go to work on this question of cotton and secure not only uniform baling, but a uniform tare for cotton. In conference with Judge Brantley and with the committee, they put this work upon my shoulders, and I have had to watch a great deal. I have had to work very hard, and I have prayed right smart.

The CHAIRMAN. To whom did you pray?

Mr. KIMBROUGH. I want to call your attention to the different conferences that have been held by these cotton interests. First to a convention held in New Orleans by the steamship lines, April 15, 1912. They adopted some drastic rules.

The CHAIRMAN. On the question of to whom did you pray, did you make any representations to that convention?

Mr. KIMBROUGH. No, sir. When that convention was held, even the cotton exchanges of America saw they were too tight, so they could not be complied with, and they called another convention in the middle of May, and they provided for a greater convention on July 15, 1912, in New York.

The CHAIRMAN. Did the ginners or planters have anything to do with them?

Mr. KIMBROUGH. Not a thing in the world. Not a producer, not a manufacturer, and not a consumer was invited to any of these conventions; they had no voice in them. The result of the convention in New York was they decided it was too late to adopt the rules of the steamship lines that were adopted on April 15, but did adopt some rules, and it was too late to put them into effect. Notwithstanding that was a fact, you have it from the report of the president of the Savannah Cotton Exchange himself that under these rules, even last fall, when we of the cotton belt were trying to elect and did elect Judge Adamson and others to Congress, that even then they were penalizing every bale of cotton that did not suit them in appearance; they actually penalized them; he says so.

Now, on March 3 and 4 a convention was called in New Orleans, which included the exporters, exchanges, steamship lines, railroads, compress associations, and exchanges of America, and in this instance not a manufacturer or producer was present in that convention.

The CHAIRMAN. It seems to me that when they adopt rules governing the preparation and shipment of cotton to the market that the ginners should have a voice.

Mr. KIMBROUGH. They did not. They did have one ginner—no, he was a compress man; he was not a ginner.

In these resolutions, which were adopted by all of these different interests in New Orleans on the 3d and 4th of March, it says:

"Be it resolved, That, effective on and after July 1, 1913, no dock receipt, mate's receipt, master's or agent's receipt, or bill of lading will be issued without describing the actual condition of the bales of cotton when received by the ocean carrier.

"The following clauses descriptive of bales of cotton to be used in bills of lading:

- "1. Not thoroughly covered.
- "2. Covering insufficient to retain marks.
- "3. More or less wet.
- "4. More or less stained.
- "5. More or less soiled.

"*Resolved*, That bales are to be well marked or branded so that the mark can be read without any question of a doubt."

The CHAIRMAN. You do not understand that they may decline to accept for shipment any bale that is offered, but merely that the bill of lading shall describe that it is defective in some particular, to be considered in a subsequent lawsuit?

Mr. KIMBROUGH. Yes, sir. I claim this, Mr. Chairman, that a bill of lading for 100 bales of cotton, if I had it in my pocket, under these rules and regulations, would be worth very little at a bank.

The CHAIRMAN. The Harter Act permits them to incorporate in the bill of lading notice about the condition of the cotton, and of course in the case of 100 bales of cotton, if they were marked so as to be identified, there would not be any trouble as to which ones were defective.

All those resolutions have already been incorporated in the record, and you just refer to such as you deem pertinent to your remarks.

Mr. KIMBROUGH. Yes, sir.

One resolution referred to the standard bale gin box 24 by 54, to be condensed to 22½ pounds per cubic foot for each bale. In this instance it says:

"Any bale that does not show this density, if not re-pressed to the required density, shall pay an extra freight of 50 cents per bale."

The way I understand that, Mr. Chairman, if there is a poor blind negro or a widow in my neighborhood, who makes only a thousand pounds of seed cotton and wants it put in a bale which weighs only 350 or 400 pounds, she has to pay 50 cents a bale more than I have to pay on a heavy bale, because it is not re-pressed to 22½ pounds per cubic foot.

The CHAIRMAN. You remember when 325 pounds was considered the minimum for a bale of cotton?

Mr. KIMBROUGH. Yes, sir. Any bale which can not be re-pressed to this density must pay 50 cents a bale extra. The next point is that bales of larger measurement than 24 by 54 must pay a penalty of \$1 a bale.

The CHAIRMAN. Has not that rule been changed—has it not gone to 27 instead of 24?

Mr. KIMBROUGH. Yes, sir. Just as soon as we found it out I began to kick, and, with the help of the manufacturers of cotton pressers and appealing to the exchanges on the question, they have agreed generally to accept a bale 27 by 54.

Here is a point that I want to call your attention to:

"Whereas it is understood that the Congress of the United States is contemplating investigation and possible legislation, with the object of improving conditions; and

"Whereas this conference includes representatives of the cotton exchanges, buyers, exporters, compress associations, cotton ginner, railroads, and ocean carriers: Be it

"*Resolved*, That a special committee of 10 be appointed by the chairman of this conference to take the necessary steps to place before Congress such data as will assist in the following improved conditions in handling cotton"—

Here is the point they want to make—

The CHAIRMAN (interposing). I presume that is what the Savannah exchange has done in sending me that communication, performing the duty of that committee appointed, and they have all been put in the record.

Mr. KIMBROUGH. Yes, sir.

"1. A standard gin box of dimensions of 24 by 54 inches.

"2. A standard weight per bale of approximately 500 pounds.

"3. A bale so covered that the cotton will be thoroughly protected against damage in transit when properly handled.

"4. The marking of the bale, so as to insure identification at destination."

Then they claim—they are right, I suspect—a loss of \$50,000,000 by the use of "unsuitable, flimsy, and insufficient covering."

There is this point, Mr. Chairman, that not since Oglethorpe carried in his pocket the first 50 cotton seed and planted them in Savannah, has there been a stronger effort to control cotton by those who do not produce it.

I would like to call the attention of the committee in a general way to the charges and the costs; from the time a man drives his wagon up to the gin until the cotton reaches the European factory the minimum and the actual cost per bale is about \$19. I want to say furthermore, Mr. Chairman, that this great complaint—and they are justified in making the complaint of the very poor condition in which a great deal of the cotton is put up—but I say that these unreasonable demands and hardships have caused a criminal indifference on the part of the producer, and as a result of this there are thousands of bales of cotton that reach the European factories in a condition that is really a disgrace to our country. There is no doubt about that.

MR. WILLIS. That is the fault of the producer?

MR. KIMBROUGH. Partly; yes, sir; but I say, these unreasonable demands and hardships are partly responsible for it.

MR. WILLIS. In what way?

MR. KIMBROUGH. Because the producer says: "It does not make any difference; they will not treat me right, anyway, and I will put in it the cheapest and sorriest stuff, and I will get just as much for my cotton." So I claim they are partly responsible.

Now, \$19 a bale results in about \$250,000,000. On the question of tare alone the cotton belt is suffering annually about \$16,500,000, in my own State about \$3,000,000, and in my own county, which is only able to afford one representative, and he a little one, is suffering from that source \$30,000, and then you add to that the carelessness of the producer and the poor manner in which it is put up, and it will aggregate a loss to my little county of \$55,000.

THE CHAIRMAN. That much of it is a loss that does not go in profit to somebody else, is it not?

MR. KIMBROUGH. Yes, sir. The manufacturer gains nothing by it, the producer loses, and the goods are made more expensive to the consumer. I say that the producer can, and I believe, generally speaking, he is willing to meet the reasonable demands of trade and transportation. In speaking for them I say that we are willing to meet any reasonable demand, and if we can, by putting up cotton in better shape, save in freight and insurance we are willing to do it.

THE CHAIRMAN. Have you had any convention of ginnerers of the cotton States to see what you could do in the way of adopting a uniform press?

MR. KIMBROUGH. No, sir; because this uniform press business has just come up since the 3d or 4th of March, and I have just been at work on the lines given me specially by the Legislature of Georgia.

THE CHAIRMAN. You have made no effort to secure uniform State laws on the subject?

MR. KIMBROUGH. No, sir; we have made a failure on this.

THE CHAIRMAN. I understand the State of Texas has standardized a bale of 27 by 54.

MR. KIMBROUGH. Yes.

THE CHAIRMAN. Coming from the next greatest cotton-growing State, do you not think you could have that adopted in Georgia?

MR. KIMBROUGH. We will have no trouble in adopting that. A law was adopted in 1911 forbidding any man to make any discrepancy or difference which would be prejudicial to the bale of cotton that carried 6 per cent tare, and a penalty was included in it; but the exporter just simply told his buyers that he could not use it, so our Georgia law on that question did not do us any good at all.

THE CHAIRMAN. I would like to ask you a few questions and then, perhaps, some of the other members of the committee may want to do the same thing, as we want to learn all we can from you. You say that the American spinners do not charge for tare as the foreign spinners do?

MR. KIMBROUGH. That is what is claimed.

THE CHAIRMAN. They do not deduct it?

MR. KIMBROUGH. It is claimed that they do not charge the same tare that the foreign spinners do, but I can not see it that way.

THE CHAIRMAN. What do they do?

MR. KIMBROUGH. Well, it looks to me as though they deduct the 6 per cent tare.

THE CHAIRMAN. And do it in a different way?

Mr. KIMBROUGH. They are governed entirely by Liverpool in the prices they pay, or at least almost entirely. In nine cases out of ten they give you the Liverpool prices. Now, in the quotations that are sent out from Liverpool this 6 per cent tare is deducted; it is deducted in the price of the cotton. Well, now, if this 6 per cent tare and all these other expenses on cotton to Liverpool are deducted, and the American spinner pays approximately the Liverpool prices for cotton, it looks to me as though they are acting in the same way as regards tare.

The CHAIRMAN. Your idea is that they pretend to pay for the gross weight, but at a price sufficiently reduced to make up for the tare?

Mr. KIMBROUGH. Yes, sir.

Mr. RAYBURN. That is the system.

The CHAIRMAN. You have told us, as the rats did, that the cat ought to be belled, but you have not told us how to bell the cat. What remedy do you propose in order to secure your rights in handling your cotton? We can make laws to punish everybody in this country, but we can not punish anybody in Liverpool. We can amend this Harter Act if we find we can accomplish anything by it, but after we amend the Harter Act and compel the steamship companies to do certain things, we can not compel the people in Liverpool to do anything in the way of deducting for tare.

Mr. KIMBROUGH. Well, I believe this: I believe it is of as much importance and of as much interest to the producer to have a standard press box as it is to the shipper.

The CHAIRMAN. That is the thing I was going to ask you about. I understand that the foreign spinners say that if you will put your bale of cotton in decent shape that they are willing to modify this tare rule and only deduct the actual weight of the tare.

Mr. KIMBROUGH. Yes.

The CHAIRMAN. What percentage of the press boxes in the cotton belt are of the dimensions of 27 by 54 inches?

Mr. KIMBROUGH. I think that fully 80 per cent of the press boxes in the cotton belt are 27 by 54.

The CHAIRMAN. Eighty per cent?

Mr. KIMBROUGH. I think so. Now, the Continental Gin Co. and the Lummis Gin Co. claim that 90 per cent of them are 27 by 54, and they make the most of them.

The CHAIRMAN. Describe to this committee how those press boxes are made and how they could be economically altered—how the other 20 per cent of them could be economically altered, so that all could make standard bales.

Mr. KIMBROUGH. Well, it would not be very much of a hardship. For instance, I made my press box according to the standard demanded of us about 12 years ago, which was 28 by 54. Now, all in the world that I have got to do is to just put on a little more lumber on one side.

The CHAIRMAN. Double one side?

Mr. KIMBROUGH. Yes; just on the side, and that would not be a great hardship.

Mr. WILLIS. How about those who have a smaller box?

Mr. KIMBROUGH. That would not make any difference. They can more easily insure a density of 22½ pounds per cubic foot by using a smaller box than they can by using a bigger box, and this rule will not require them to use a box 27 by 54.

Mr. WILLIS. And the essential thing is the required density?

Mr. KIMBROUGH. Yes, sir.

The CHAIRMAN. How much would it cost to alter one of those old-fashioned boxes so as to make it 27 by 54 inches?

Mr. KIMBROUGH. As to some of them, it would cost probably \$5 or \$10; but that would be an extraordinary case. A man about 6 miles from me has a press 30 by 64, and, of course, he has got to do some work to bring his box down to 27 by 54. And when you get one of his bales of cotton on a car there is not much room for anything else, and it prohibits me from getting good rates.

The CHAIRMAN. But he could easily reduce the size of his press box?

Mr. KIMBROUGH. Yes.

The CHAIRMAN. It would not cost him much more to reenforce the columns of his press?

Mr. KIMBROUGH. No.

Mr. RAYBURN. Is this density required in the compressed bale or just as the bale comes from the gin?

Mr. KIMBROUGH. No; it is after compressing.

The CHAIRMAN. The steamship companies, of course, receive the bale after it has been assembled at the compress and reduced in width as well as thickness, and the density is very much increased.

Mr. KIMBROUGH. Yes.

The CHAIRMAN. But there is a proposition to supply gin compresses?

Mr. KIMBROUGH. Yes, sir.

The CHAIRMAN. So as to compress the bales at the gin and prevent the assembling of the bales by the railroads at these railroad compresses. What would be the expense of installing one of those gin compresses at your gin capable of taking care of the output of six or eight gins? Do you know?

Mr. KIMBROUGH. Well, sir, it would cost me somewhere between \$6,000 and \$7,000, because I have got to increase my boiler and engine capacity. The press alone costs about \$4,500 or \$5,000, and then it will take \$100 to put enough stuff under that press, because it weighs 50,000 pounds.

The CHAIRMAN. And that would have to occur at three or four places in every county?

Mr. KIMBROUGH. Yes.

The CHAIRMAN. And you would have to do it for two-thirds of the ginners in the cotton belt, and, as they could not support them, it is more economical to continue the present system of letting the railroads assemble the bales in the original form and compress them at central points?

Mr. KIMBROUGH. For the present I am inclined to think it is, from the simple fact that if we were to adopt gin compression in the States of Alabama, Florida, Georgia, North Carolina, and South Carolina, or any section of the eastern part of the cotton belt, we would have to make a fight, or at least a fight will be made on us at once by the great railroad compresses.

The CHAIRMAN. How much additional freight charges do the railroads put on the cotton for assembling it at the compresses before starting the cotton on its journey to the coast?

Mr. KIMBROUGH. I presume that would average about \$1 per bale.

The CHAIRMAN. In assembling it at the compresses and getting it away from there, is it injured any more than it would be if you compressed it at the gin and started it from there?

Mr. KIMBROUGH. There is no doubt in my mind but what the staple would be a great deal better and bale in better shape.

The CHAIRMAN. If compressed at the gin?

Mr. KIMBROUGH. Yes.

The CHAIRMAN. Does it not suffer more exposure and more wear and tear from country damage by taking it to the compresses and going through that operation?

Mr. KIMBROUGH. There is no doubt about that. Now, as I said, these railroads would insist that they have vested rights, and a bale of my cotton that I had pressed down to a density even of 28 or 30 pounds per cubic foot they would not handle a particle cheaper than they would when it only showed 12 pounds per cubic foot.

The CHAIRMAN. Why not? They could put twice as many bales in a car, could they not?

Mr. KIMBROUGH. That would not make any difference, because they want to press it themselves.

The CHAIRMAN. They own the compresses?

Mr. KIMBROUGH. Yes.

The CHAIRMAN. Is not that a violation of the commodities clause, Mr. Willis?

Mr. WILLIS. I think so.

Mr. KIMBROUGH. Out in the western part of the cotton belt that would not be so strongly felt, because they have not so many railroad compresses out there.

Mr. RAYBURN. Out there the compresses are owned by local capital?

Mr. KIMBROUGH. Yes; and that is the difference between the two sections.

The CHAIRMAN. I think, however, they have interlocking directorates and interlocking stockholders.

Mr. KIMBROUGH. Well, that may all be true.

Mr. RAYBURN. We may have one man in Texas who will be the president of several compress companies, you know. How far apart are the compresses in your State?

Mr. KIMBROUGH. They are in most of the big towns.

Mr. RAYBURN. Do you have compresses in some towns of 4,000 or 5,000?

Mr. KIMBROUGH. No; only at certain points.

Mr. WILLIS. How many do you suppose there are in the State?

Mr. KIMBROUGH. There is one at Atlanta, one at Macon, one at Columbus, Augusta, Savannah, and there are several more.

The CHAIRMAN. Is there one at Rome?

Mr. KIMBROUGH. I do not think there is; but there are several in south Georgia.

Mr. WILLIS. Probably not to exceed 10 in the State?

Mr. KIMBROUGH. Not to exceed 10. My idea, gentlemen, is just this: That if it were possible and we were in shape to do it gin compression would be the solution of the question.

The CHAIRMAN. But you can not do it at once.

Mr. KIMBROUGH. No; we can not. You take my county. We have large streams running through it and mountains, and we have in that county about 15 public gins, and maybe more, and we could not support more than four gin compresses in the county; it would cost us on an average of \$6,000 or \$7,000 for preparation and everything of the kind, and have to close up a majority of the gins now running, and our domestic manufacturers prefer not to have it compressed.

The CHAIRMAN. I want to ask you about baling and sampling. Tell the committee something about the style of your wrapping material and how you wrap the bales, because many of the members of the committee do not understand about that. Is not a bale of cotton better cared for if it is securely wrapped in burlap than it is when wrapped in the old ragged bagging?

Mr. KIMBROUGH. I think so. That is a question that has troubled me a great deal since the convention in New Orleans. For instance, they require that this cotton be marked with indelible ink. You might have the ink doubly indelible, and I do not believe it would help a bawbee on most of bagging.

The CHAIRMAN. How are you going to mark it? Could you put a metallic mark on it?

Mr. KIMBROUGH. You could use a metallic tag; yes.

The CHAIRMAN. If you use burlap as osnaburg, you could mark it so the marks would stay?

Mr. KIMBROUGH. Yes; but with the ordinary fish-net bagging, which is about the only stuff we have, you can just run your fingers through it; the marks will not stay on it. Then another thing I would like to call the attention of the committee to is that, with a mark which may be ever so good, you will not find very much difference in it by the time these fellows get through sampling it, because, you see, they want to sample it enough to make up the city crop of 100,000 bales.

The CHAIRMAN. That is the point I am striking at. In the first place, I want to know about the covering and the marking, so I can ask you about sampling; and I want to know whether a light burlap, which will secure the cotton more safely and hold the marks, is not as cheap as the old bagging about which you speak?

Mr. KIMBROUGH. About the same thing. And then whenever we adopt a uniform bagging or covering—ties are pretty uniform now—we will have no trouble in convincing our European friends of the great injustice done us on the tare question.

The CHAIRMAN. I understand—or at least it used to be so when I knew something about cotton—that everybody who touched that bale of cotton would cut slits across it in different places, so that by the time it was ready to start across the water there were holes in it nearly as wide as the bale of cotton between all the ties, the holes having been made by taking out a pound or two of cotton every time it was sampled, and I would like to know whether that practice is kept up.

Mr. KIMBROUGH. Yes, sir. They raise the city crop in that way, and it aggregates 100,000 bales a year, worth \$6,000,000.

Mr. WILLIS. What do you mean by that?

The CHAIRMAN. Every cotton buyer simply keeps a stall in which to keep the sample cotton, and when he gets enough he puts it into bales.

Mr. RAYBURN. I think that is the most important thing in the whole business—the proposition of sampling. When a bale of cotton is brought in the first fellow who gets to it will pull out a pretty good piece of loose cotton, and another fellow will do the same thing, and in this way they make quite a hole in the bale.

Mr. O'SHAUNESSY. How many times is a bale of cotton sampled?

Mr. RAYBURN. That depends.

The CHAIRMAN. Every fellow who looks at it takes a sample.

Mr. O'SHAUNESSY. Why is that done?

Mr. KIMBROUGH. They claim it is done to see whether there is any mixed cotton, rocks, or dirt in it, but the real reason in many instances is to make the 100,000 bales of city crop.

The CHAIRMAN. How many ginners know enough about cotton grading to make a certificate?

Mr. KIMBROUGH. Not one out of twenty.

The CHAIRMAN. Then I will suggest another alternative. If the trade could not rely on the certificates of the ginners as to the quality of the cotton, what is to hinder the ginners from taking two or three samples from each bale, or as many as will be necessary in the future course of the bale of cotton—what is to prevent them from taking out the requisite number of small parcels of that cotton, wrapping them up, and marking them to correspond with the marks on the bales and letting them go ahead and represent the cotton?

Mr. KIMBROUGH. Under those circumstances the man who buys the cotton would not see the cotton taken from the bale.

The CHAIRMAN. I want to know, as a practical question, whether, when you get your bales wrapped in some sort of wrapping, either burlaps or osnaburg, which will hold a mark, you could not have each ginner in packing that bale of cotton take a pair sample of it in small quantities, mark the sample with the identical mark on the bale of cotton and accompany the sample with a certificate that it is a fair sample of the bale of cotton bearing the corresponding mark, and that the tare is so much on the bale of cotton?

Mr. KIMBROUGH. It might be done in that way.

The CHAIRMAN. What is to hinder that being done? What is impracticable about it, especially when that is done in other lines of trade?

Mr. KIMBROUGH. It would add somewhat to the cost of the ginning.

The CHAIRMAN. How much?

Mr. KIMBROUGH. It would not be much, or it ought not to be much.

The CHAIRMAN. It would not cost 5 cents a bale?

Mr. KIMBROUGH. No.

The CHAIRMAN. It seems to me it would be quite a saving to the producers.

Mr. KIMBROUGH. There is no doubt about it, if they would agree to accept it; but I tell you they are going to hate mighty bad to give up 100,000 bales of city crop.

The CHAIRMAN. I want you to itemize that \$19 which you say it costs between the gin and the European factory.

Charges on cotton bale from field to factory.

Ginning, bagging, and ties.....	\$2. 50
Average freight to compress.....	1. 00
Drayage to and from warehouse.....	. 35
Storage at warehouse.....	. 75
Insurance.....	. 40
Commission to cotton factor.....	1. 00
Loss by constant sampling.....	. 50
Careless handling.....	1. 00
Commission to buyer.....	1. 00
Compression.....	. 50
Furnishing and applying patches.....	. 50
Freight to Liverpool.....	3. 00
Liverpool dues and warehouse rent.....	. 50
Insurance in transit.....	. 50
Cartage, portage, and commission.....	. 80
Tare, 6 per cent (30 pounds) off.....	3. 60
Country damage and trash.....	1. 00
To factory after landing.....	. 75
	<hr/>
	19. 65
On average crop.....	260, 000, 000
Additional penalties provided and expected.....	75, 000, 000
City crop (samples), 100,000 bales.....	6, 000, 000
Country damage, trash, and dirt.....	12, 500, 000
Loss by 6 per cent tare.....	18, 500, 000

The CHAIRMAN. Then, if a factory in your neighborhood wanted to be real neighborly, in considering the difference between the price of cotton in Liverpool and the town in which it is located, it would deduct these expenses from the difference, would it not?

Mr. KIMBROUGH. Well, they could chip in with us and really pay more for it.

The CHAIRMAN. If they wanted to do so.

Mr. KIMBROUGH. I think so.

The CHAIRMAN. You do not know how to make them do that, do you?

Mr. KIMBROUGH. No, sir.

The CHAIRMAN. If the expense of handling, transporting, and selling increases with the distance, does it not look as though the difference in price ought not to be quite so great between a distant point and the point of production?

Mr. KIMBROUGH. For instance, as I understand the question, it is simply this: Mr. Holtz or any of these cotton men who ship cotton from Columbus, Ga., will offer me 12 cents a pound this morning for my cotton, and here comes a man right there in sight of the warehouse, who is running a mill, and he offers me the same price, but it looks to me as though he ought to give me a better price, but he is governed by the European price, and yet he has none of the \$19 charges to contend with.

The CHAIRMAN. If in the opening of the season the American spinners commenced filling the warehouses, would not the prices go up and the American mills get the benefit of spinning the best cotton at the lowest prices and the foreign spinners get the high-priced cotton after the prices went up?

Mr. KIMBROUGH. Yes, sir.

The CHAIRMAN. I understand that for the past few years the American spinners have spun the high-priced cotton and the foreign mills the cotton bought when cheapest.

Mr. KIMBROUGH. My idea is this: That if we could get something which would require more care on the part of the gin man and require him to do his full duty that a great deal could be saved.

The CHAIRMAN. What can he do more than to wrap the cotton properly and certify as to the samples and tare on it? What else do you want him to do?

Mr. KIMBROUGH. I will just give you an instance: If you send a bale of cotton to the gin this morning which has been handled carelessly, which has been in a storm, been badly frostbitten, or something of the kind, or raised on red ground, these big ginners will gin that cotton, and just as soon as they see that all of the cotton has gone below a certain point they cut off that bale and start on my cotton. Well, my cotton may be as pretty as it possibly could be, yet the probabilities are I may be forced to lose \$5 a bale.

The CHAIRMAN. They miss the line sometimes?

Mr. KIMBROUGH. Yes; they commence on mine too quickly, and they get your dirty cotton on one side of the bale of cotton.

The CHAIRMAN. I think the Georgia law would enable him to sue you for damages.

Mr. KIMBROUGH. Yes; but they do not use the care that ought to be used, and my idea is to force them to that point so that they will run the cotton out closer and not get two grades of cotton in the same bale.

The CHAIRMAN. Well, would it not be better for Congress to do the few necessary things that Congress ought to do and not put on Congress the little things you ought to do yourself?

Mr. KIMBROUGH. Yes; but I just make these suggestions to you, and I believe, as regards the covering, that it ought to be uniform.

Mr. O'SHAUNESSY. Is that where this comes in, subdivision 3, "A bale so covered that the cotton will be thoroughly protected against damage in transit when properly handled"?

Mr. KIMBROUGH. Yes, sir; but the trouble is that the only bagging that we can get new is inferior.

Mr. O'SHAUNESSY. It is that coarse stuff?

Mr. KIMBROUGH. Yes; only 44 inches wide.

Mr. O'SHAUNESSY. Does not that get mixed in with the cotton during manufacture?

Mr. KIMBROUGH. Yes, sir; occasionally.

Mr. O'SHAUNESSY. The dirt.

Mr. KIMBROUGH. The dirt will go through. But some of the manufacturers claim that that coarse stuff, if the bale gets a little damp, will dry out through those holes much better than will a closely woven bagging. But, as I said, I

think we ought to have a uniform covering, the ties and bands being uniform already; but, I say, that covering should be of sufficient strength and width to fully protect the cotton and to cover it entirely.

The CHAIRMAN. Some of these things that you think desirable could be accomplished if all the cotton-growing States would pass identical legislation. If they will not do it—and you say you do not think they will—then Congress can pass an interstate law as to all cotton that is intended for interstate or foreign business only. It can not pass any law which would affect the cotton that would be used inside of the States.

Mr. KIMBROUGH. I understand that.

The CHAIRMAN. The law that we would pass, whatever its provisions, would simply be another way of enforcing what you ought to do by a comity of States.

Mr. KIMBROUGH. Yes; if there was not so plagued much politics in our State departments.

The CHAIRMAN. We have some of that here at times.

Mr. KIMBROUGH. I did not know that; but I have found that difficulty and have met with it for the last six months—just so much politics that you can not get a man to see his duty.

Mr. O'SHAUNESSY. How many States are there where you would have to have those laws passed?

Mr. KIMBROUGH. About 12 or 14.

Mr. O'SHAUNESSY. How long a time would that take?

Mr. KIMBROUGH. A couple of years.

Mr. O'SHAUNESSY. That much longer?

Mr. KIMBROUGH. Yes.

Mr. WILLIS. Provided you could get them to do it?

Mr. KIMBROUGH. Yes, sir.

The CHAIRMAN. I think before Mr. O'Shaunessy came in Mr. Kimbrough said that 80 per cent of all the old-fashioned presses in the cotton States were of the dimensions of 27 by 54 inches, and I was coming to this next question: If there is that great percentage of them already of that size and it would cost only \$5 to alter the other 20 per cent, would it produce general satisfaction if we should pass a law recognizing as a standard bale for interstate and foreign commerce a box 27 by 54 inches?

Mr. KIMBROUGH. I do not think it will create any dissatisfaction at all.

The CHAIRMAN. Would it create any hardship?

Mr. KIMBROUGH. No, sir; it will not create much hardship at all; but to reduce it down to 24 by 54 inches would result in considerable annoyance and breakage of press.

The CHAIRMAN. It seems to me, from what the steamship companies have said in their conventions, that if you had a standard bale and compressed it to the proper density and covered it with a covering that would hold the marks that you would obviate all the other troubles.

Mr. KIMBROUGH. Yes, sir.

The CHAIRMAN. And they say they would not then try to impose that penalty.

Mr. O'SHAUNESSY. What causes the greatest percentage of loss?

Mr. KIMBROUGH. The use of flimsy and rotten bagging.

Mr. O'SHAUNESSY. As a covering?

Mr. KIMBROUGH. Yes, sir.

Mr. O'SHAUNESSY. That is the greatest evil?

Mr. KIMBROUGH. Yes, sir.

The CHAIRMAN. I think one of the greatest evils is what they call the country damage, which is anything in the world that happens to it from the time it is baled. They throw it about and use hooks in it, which necessarily pull out the cotton and cause holes in the bale; they stand a bale on its end or on its side, and then try to get it wet to make it weigh more and dry it out a little bit to make it appear as though it had not been wet, and all of those things they call the country damage, and make it in one lump claim.

Mr. WILLIS. That makes me wonder whether the country damage or the city crop is the worst evil.

Mr. KIMBROUGH. There is one point that ought to be remembered, and that is this: That not until the exporter demanded that we not cover our cotton all over did they begin to penalize us; there was no such complaint about country damage just as long as we tried to comply with the marine laws of the United States. Now, the marine laws of the United States required that a bale of cotton be wholly covered, but in order to carry their point they got a new con-

struction of the marine laws, and instead of it being wholly covered the construction now put on it is mostly covered, although there has been no change in the law in reference to this covering. Now, Mr. Chairman, I believe that this covering should not only be of sufficient strength, quality, and width but should wholly protect the cotton, and I believe there ought to be weight enough about it to cover the 6 per cent tare, and I believe, furthermore, it should be required that covering be well secured at the end with good twine, and I believe that before you get through with this hearing you will get a suggestion from somebody who is in the habit of buying cotton that will give you some idea as to a better way of sampling cotton.

The CHAIRMAN. Do you mean you want to put on some unnecessary weight in the covering just to bring it up to 30 pounds to the bale?

Mr. KIMBROUGH. We are entitled to it.

The CHAIRMAN. How does that profit you?

Mr. KIMBROUGH. We are entitled to it because they are going to knock it off.

Mr. WILLIS. If you wrap it properly, will they continue to knock it off?

Mr. KIMBROUGH. Certainly I hope not.

Mr. WILLIS. I know they figure that much on the present method of wrapping; but if you wrap it better; do you think they will still continue to knock off 6 per cent for the tare? Would it not be reduced to 4 per cent or 3 per cent?

Mr. KIMBROUGH. If we could have a uniform tare, we would not have any trouble in reducing it down to 4 per cent, or perhaps less.

The CHAIRMAN. Here is their excuse, as I understand it: They say that many bales of cotton come in to the market and they can not go and examine each bale minutely. They claim that a great many of them have that much tare, but that they can not go and differentiate between the different bales; that it takes too much time and would be too expensive. So they find out what the maximum tare is on the heaviest covered bales, and they just knock off that much from all of them. That is the theory on which they go.

Mr. WILLIS. You do not want to have it stated as your deliberate opinion that in your judgment they ought to so wrap cotton as to get a least 30 additional pounds on the bale simply because this inferior bale has been used? You do not propose that your cotton producers shall do such a bungling and improper job in order to make up that weight?

Mr. KIMBROUGH. Yes; that is what I mean. But it does not make any difference how little we put on as a producer or as a ginner; that does not make any particular difference at all. Whenever an exporter gets hold of it he sends it to the compress, and he instructs the compress man to put on so much. Well, now, by the time he gets through adding, and he does his best to cover that tare; he has put on so much that it is prejudicial to our interests. When he gets hold of it he adds to it until it makes it more difficult for us to adjust the tare; he overdoes the thing.

The CHAIRMAN. He is doing what you do not want to do? He is putting the bale in such shape as to weigh up to the tare?

Mr. KIMBROUGH. Yes; and frequently he makes it go over that.

The CHAIRMAN. Is not that done under the pretense of patching the holes in the covering?

Mr. KIMBROUGH. Yes, sir.

The CHAIRMAN. His purpose is to get 30 pounds of weight despite these numerous samples which have been taken from the cotton. Are there any further questions?

Mr. WILLIS. Have you examined the bills which are before us?

Mr. KIMBROUGH. Only slightly.

Mr. WILLIS. Two bills by the chairman and two by Mr. Heflin, of Alabama?

Mr. KIMBROUGH. Only slightly.

Mr. WILLIS. I am anxious to get at your concrete proposition as to what ought to be done to cure these evils. You say you have not examined the bills introduced by the chairman?

Mr. KIMBROUGH. I have only slightly glanced at them, but I will say that for interstate and foreign shipment, in the adoption of a standard bale, with a standard covering, I think it would be advisable to start at the gin and have it uniform, and then have stamped on the bale the amount of tare that is on it, and then if we could do it, leave only a margin of 1 pound to the bale; give the exporter an opportunity to cover those sample holes if he has got to make them and an allowance not exceeding 1 or 2 pounds to a bale after it is sent to him. Then he would have a good, smooth, and soft place to mark his cotton on, and

it would not overtare and prejudice the European spinner against American cotton.

Mr. WILLIS. Did you say that the local mills make, in your judgment, the same charge for tare that the Liverpool buyers do?

Mr. KIMBROUGH. Yes; the charges are not where you can see them, but, for instance, this morning they will give me 12 cents a pound for cotton to be shipped to Europe, and against that bale of cotton there are charges of about \$19, and when I take that sample to a millman the same price is offered.

Mr. WILLIS. That \$19 does not include freight charges?

Mr. KIMBROUGH. Yes, sir.

Mr. WILLIS. You say it does or does not?

Mr. KIMBROUGH. It does; from the time it goes from the gin until it reaches the factory in Europe.

The CHAIRMAN. The two bills which I have introduced were prepared by Mr. Brantley and introduced at the last session of Congress. He has been studying these questions for several years. I have not analyzed the bills myself, but he has agreed to submit a brief to the committee. He thinks some benefit can be derived by amending the foreign bill-of-lading laws, and I suspect there is something in it. I have not looked it up thoroughly, but he will give us a brief on these questions, and I suppose others will do the same thing before we conclude the hearings.

Mr. WILLIS. I want to understand about this mill business. Please explain that.

Mr. KIMBROUGH. Say you are going to ship cotton to-day from this place to Liverpool. You offer me 12 cents a pound for my good middlings. Judge Adamson comes along and wants to buy for a mill here in this place, but he will not offer me over 12 cents a pound; well, now, if there are charges of \$19 against that bale of cotton in going to Liverpool it looks to me as though Judge Adamson could pay more, because those charges are not made against him.

Mr. WILLIS. Do you mean to say that American mills could afford to pay more for it?

Mr. KIMBROUGH. Yes, sir.

Mr. WILLIS. And if they had more American mills, so as to consume substantially all of the cotton produced, you would undoubtedly get more for it?

Mr. KIMBROUGH. Yes, sir; there is no doubt of that.

Mr. WILLIS. That is good doctrine.

The CHAIRMAN. We are fixing things up so that we can have more mills and get more for the cotton by taking the robber tariff off of materials used in cotton manufacture.

Mr. WILLIS. That is the best argument I have heard in some time for protection. Protection would enable us to build more cotton mills in this country.

Mr. O'SHAUNESSY. You say that you can not get any more from the mills here than in the Liverpool market. Now, is there any effort made to get more?

Mr. KIMBROUGH. Well, we were just talking about prices. We can not put the price on cotton. We have to take what they will give.

Mr. WILLIS. Would that be true if we were the great manufacturers of cotton instead of Liverpool, and would not the cotton producer get more for his cotton if we had a sufficient number of mills here to manufacture it?

The CHAIRMAN. There is no doubt of the fact that if we had been pursuing a more liberal policy toward cotton manufacturing and encouraging the building of mills instead of feeding them as an infant industry from a nursery bottle we would have had more cotton mills all over the country than we have now. Nineteen dollars differential in expense certainly affords protection enough for any honest man or industry.

Mr. KIMBROUGH. I want to thank the committee for this hearing, and I want to say to you gentlemen that in Georgia we have got 5,000 boys who, with favorable seasons, are going to make from 50 to 100 bushels of corn per acre this year, and if you will give us a little consideration on these questions we will make our section the garden spot of the earth.

The CHAIRMAN. That is one good way to raise the price of cotton—to have those boys raise more corn.

Mr. WILLIS. There is another question I would like to ask you, but it has no relation to this hearing: Has any actual progress been made in exterminating the boll weevil or staying its ravages? We appropriate funds for that purpose from time to time, and I have always voted for them and shall continue to do so. But do we get anywhere with it?

Mr. KIMBROUGH. I am not able to say from my own knowledge, because we have no boll weevils in my State. I have never seen one.

Mr. RAYBURN. There are no more of them in Texas. They came in there, but have moved out.

Mr. WILLIS. In your judgment, has the work of the Department of Agriculture in that direction amounted to anything?

Mr. RAYBURN. Not from my own observation.

Mr. WILLIS. My impression is that they have used that fund very largely, not in the extermination of the boll weevil, because they did not know how to do that, but in teaching the farmers other lines of agricultural activity, and, in my judgment, that is a perfectly wise expenditure of it.

Mr. RAYBURN. So far as instructing the average farmer how to exterminate the boll weevil is concerned, they did not teach him anything. They asked the cotton farmers to burn their cotton stalks, for one thing, because that is where the boll weevils hibernate in the winter. The boll weevil has moved out of Texas. I do not know why that is.

The CHAIRMAN. Mr. Kimbrough, the committee is very much obliged to you for your statement. We will send you the transcript of your testimony and you can revise it and return it to us.

Mr. KIMBROUGH. Thank you.

WOODBURY, GA., October 9, 1913.

HON. W. C. ADAMSON, M. C.

Washington, D. C.

DEAR SIR: Referring to a proposed bill to be introduced in Congress looking to the establishment of a legal-standard bale of cotton and gin sampling, etc., we are writing to ask that you enter into a minute consideration of section 2 of the bill, providing for the sampling of the cotton by the ginner. In the first place this provision will force each ginner operating as many as four gin stands to employ two first-class clerical men at salaries of from \$75 to \$100 per month, one to corroborate the other in cases of litigation over exchanged or subsequently fixed samples in the hands of the sellers (for there will be untold instances of that kind, regardless of the penalties for violation provided); and, of course, there will have to be a correspondingly increased charge for ginning to meet this additional expense, amounting possibly to 50 cents per bale, which of course will have to be paid by the farmer. Already gin charges in our section of the country are not adequate, considering the wear and tear of machinery and the increased cost of operation by reason of high labor and lower efficiency of the labor to be obtained. And in regard to record of weights to be kept by the ginner, that, too, would cause eternal clashing, the cotton men on one side taking the position that the ginner would naturally favor his customer in weights, while the seller on the other hand would take the position that the ginner was possibly getting a "rake-off" from the cotton buyers, etc. There is an element of human nature that is hardly to be ignored in making a radical change of this kind in a system of traffic affecting so important a commodity as cotton.

There should be no objection to the standard bale properly packed and properly wrapped, which certainly is within the duties of the ginner; but we feel that the sampling and weighing should be done by a public weigher and sampler. If the object is to provide against the cutting of the cotton package, and it is necessary to have the sample taken during the process of ginning, then by all means we think it should be done by an official sampler not in the pay of nor in any way connected with the ginnery plant. In this way untold litigation could be saved, as an official sample might be considered in law the last evidence, while if such samples and records are kept by private ginner, you can easily see the burden of expensive controversy that will fall upon such public enterprises. We feel that the farmers themselves will agree with the ginner on these points, and we are going into the matter thus fully in order to bring to your attention possible consequences of such provisions which might otherwise escape your attention. We believe, too, that the ginner, without exception, would take this view of the matter. Thanking you very much for your attention and hoping that you will use your influence in making what we feel to be a quite palpably necessary change in the bill in these particulars, we are,

Most respectfully, yours,

WOODBURY OIL MILLS,
Per CHAS. S. REED.

CARROLLTON, GA., July 2, 1913.

Hon. W. C. ADAMSON, Washington, D. C.

DEAR SIR: Replying to yours of the 27th, inclosing copy of proposed bill to regulate the baling and sampling of cotton, beg to advise that I do not think this bill practicable for the following reasons:

Objection to paragraph one was stated in my previous letter.

Section 2: This will require the ginner to purchase wider bagging than at present, which would necessitate increasing tare on the bale, which would in turn cause an increase in claims on the shipper; beside the bagging people have already made up the stock for wrapping the coming crop, and the wider bagging could not be secured for the present crop.

Section 3: I think the idea of identification is good. However, a great many of the cotton ginner in the country do not weigh the bale at all or else have poor facilities for weighing, and we do not think the merchant would be willing to buy cotton on the statement of a country ginner that it weighed so much.

Section 4: This is all impracticable. In the first place the ginner would not want to put on the extra expense of sampling and certifying to samples, retaining duplicate samples. In the second place the buyer of the cotton would not risk the judgment of the country ginner in grading the cotton nor take the chance of the farmer substituting a better sample than the bale actually graded. If this section were to be put into law it would result in the cotton being concentrated at large points, who are able to keep a cotton grader at their gins and who are financially able to afford protection to the cotton buyer in case of claims. This would put the small ginner out of business and cause the farmers to have to haul their cotton a long distance in many cases to the gin that kept a grader satisfactory to the buyers and a company also satisfactory from moral and financial standpoint. We think this section would be very unpopular with your constituents.

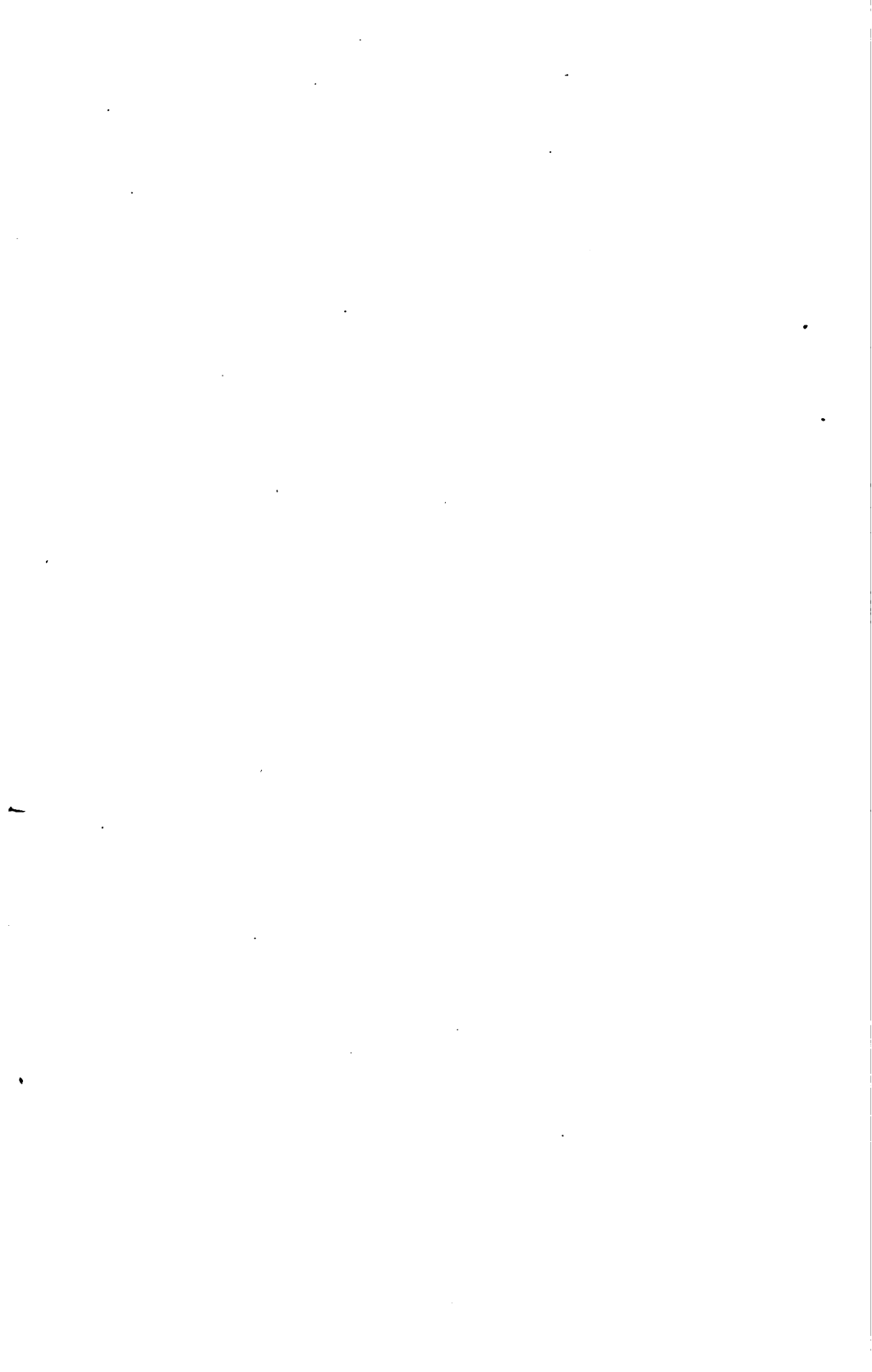
Section 5: We believe this would work a hardship on anyone having cotton for sale because, if the buyer had no right to sample and so buy "cat in the bag," he would naturally make his prices lower than he would if he knew just what he was buying.

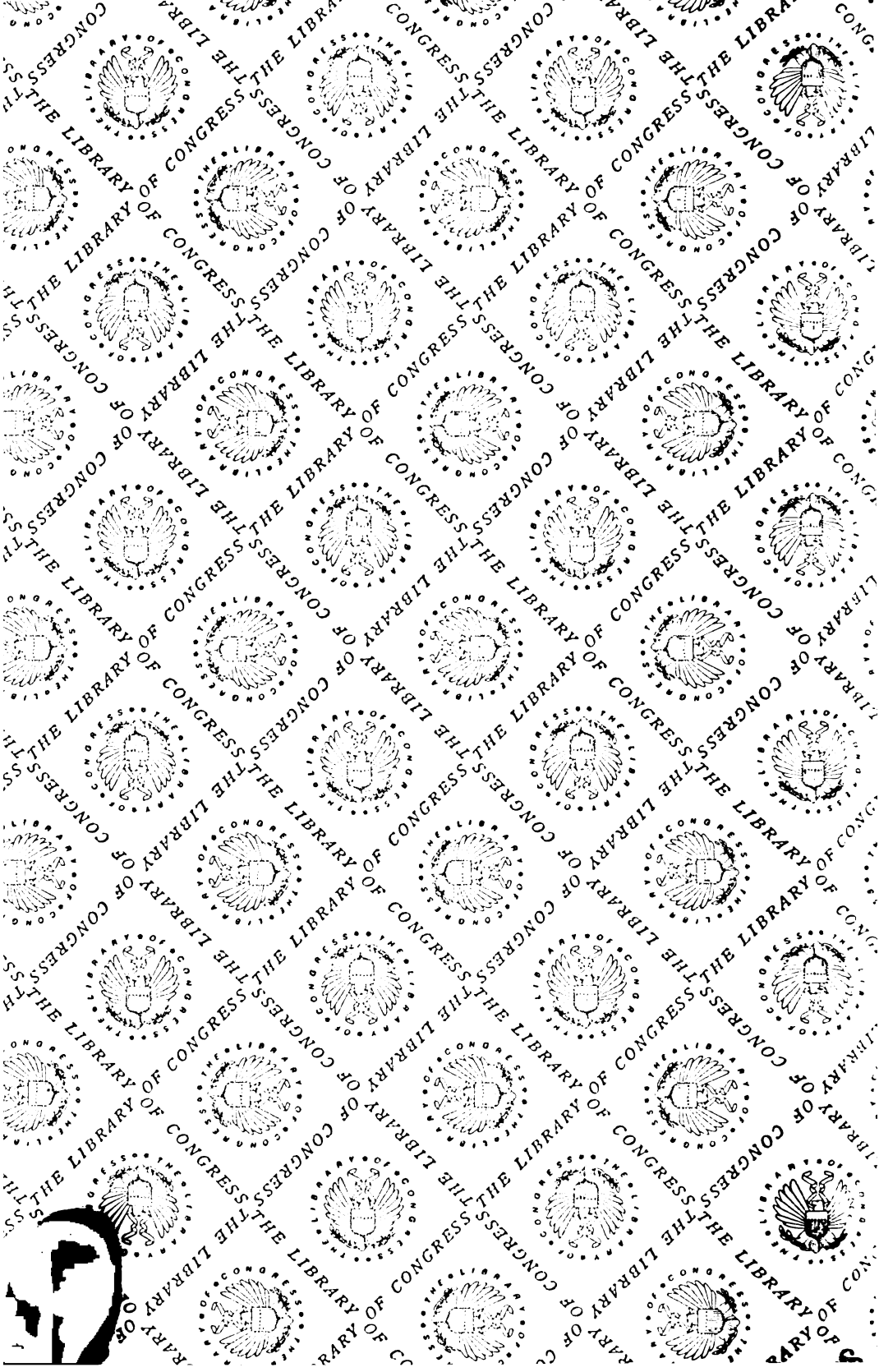
I think, under the circumstances, you had better not offer this bill. We return copy herewith.

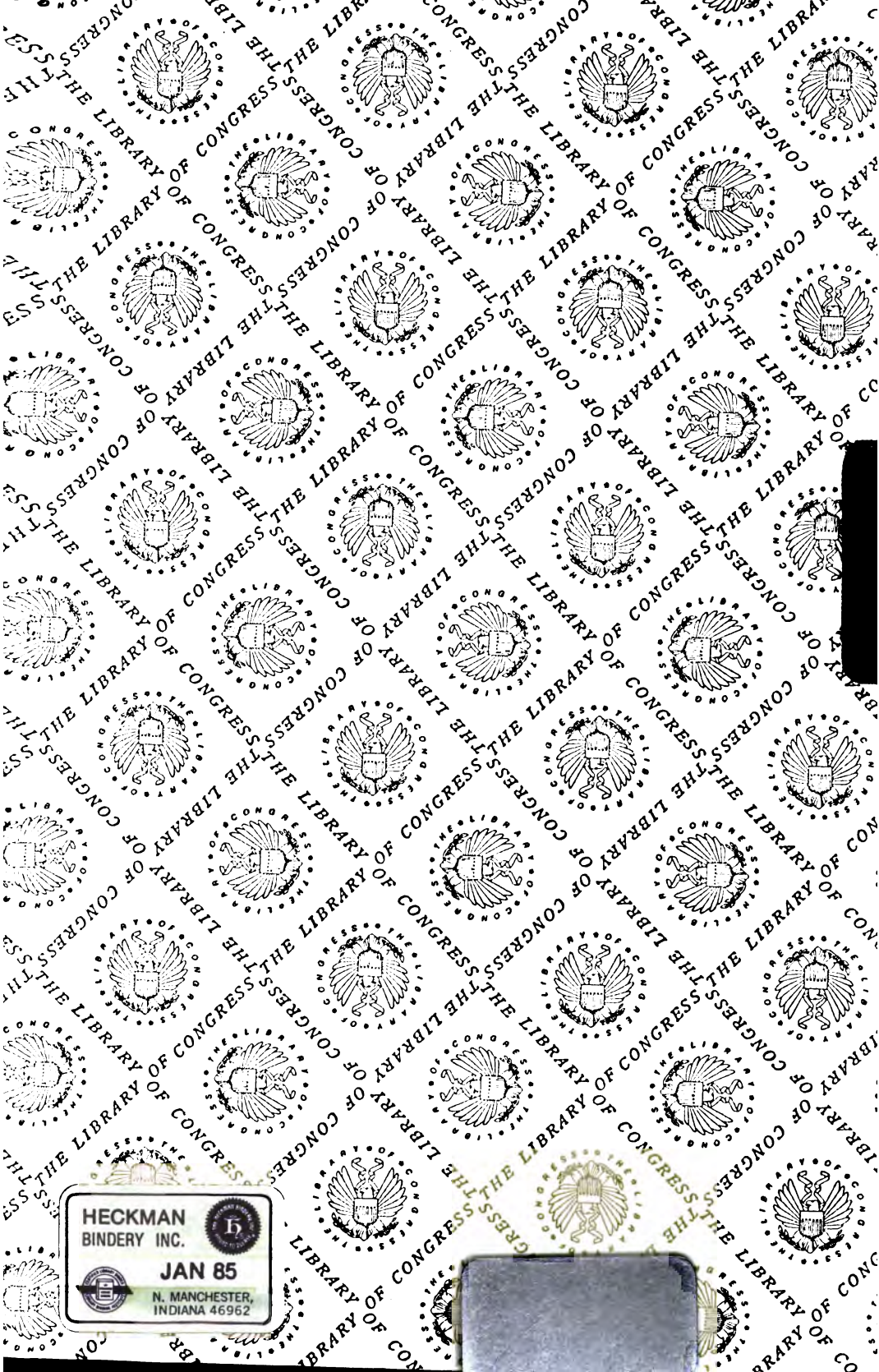
Yours, truly,

MANDEVILLE MILLS,

H. O. LOVVORN, Treasurer and Manager.







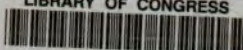
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